

FBIS

DAILY REPORT

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CHERNENKO SENDS LETTER TO DISARMAMENT GROUP

PA130323 Buenos Aires LATIN in Spanish 0246 GMT 13 Feb 85

[By John Reichertz]

[Text] Buenos Aires, 12 Feb (REUTER) -- Soviet President Konstantin Chernenko today told an Argentine antinuclear group that Moscow is in favor of a substantial reduction of nuclear arsenals "based on equality and mutual security." In response to a letter by 100 prominent Argentines, Chernenko also said that the world's nations should "give a firm no to nuclear death by stopping the demented arms race."

The Soviet president was the first leader of a nuclear power to reply to a letter sent this year by the Argentine group that had adopted the name "Call of the 100 To Continue Living" ["Llamado de los 100 Para Seguir Viviendo"]. The group, which collected more than 1 million signatures in a petition that advocated nuclear disarmament, also sent letters to the heads of state of the United States, France, the United Kingdom, and the PRC.

The Soviet ambassador in Argentina presented Chernenko's letter to Aldo Tessio, President Alfonsin's special ambassador for nuclear disarmament affairs and members of the group, during a ceremony at the Soviet Embassy. Tessio told REUTER that Alfonsin will discuss nuclear disarmament with U.S. President Ronald Reagan during a visit to the United States in March. Alfonsin and five other heads of state or government signed joint statements last year urging the nuclear powers to take measures to achieve disarmament. The Argentine group, which is not official, plans to present its request to UN Secretary General Javier Perez de Cuellar.

In his two-page letter, Chernenko said that the Soviet people and government support the group in its desire to come out "in defense of the fundamental right of human beings: the right to life." The Soviet leader said that the Western governments do not realize that a nuclear war "will have catastrophic consequences for humankind." "We are in favor of a radical reduction of the nuclear and conventional weapons arsenals on the basis of equality and mutual security, in favor of general and complete disarmament, the liquidation of nuclear armaments," he said.

Further Report

PY130250 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0010 GMT 13 Feb 85

[Text] Buenos Aires, 12 Feb (NA) -- Konstantin Chernenko, chairman of the USSR Supreme Soviet Presidium, today greeted the initiative of the "Call of the 100 To Continue Living," a group of prominent Argentines who promote nuclear disarmament, and stated that the Soviet Union is "in favor of a radical reduction of nuclear arsenals."

The message sent by Chernenko was delivered this afternoon at the Soviet Embassy by Soviet Ambassador Oleg Kvasov to a delegation of those who originated the "Call of the 100" in response to a petition that this peace organization had also sent to Ronald Reagan, Margaret Thatcher, Francois Mitterrand, and Li Xiannian. Present at the ceremony were special Ambassador Aldo Tessio, Communist Party leader Ruben Izcaro, and Ramon Acuna, among others.

Chernenko stated that the USSR is "in favor of a radical reduction of the arsenals of nuclear and conventional weapons on the basis of equality and mutual security, of general and total disarmament, and of the destruction of nuclear weapons."

He recalled that his country has proposed that "provided that an overall agreement is reached, the resources that could be freed as a result of the reduction in military expenditures be employed to help the developing nations." Likewise, the Soviet president expressed gratitude for the initiative and noted that "it reflects the quite understandable concern of the Argentine people and other Latin American peoples over the growing threat of nuclear war." Chernenko said: "In your message you stated that the conscience and the reason of the Argentine people prompt you to stand up in defense of the fundamental right of the human being, the right to life, and your hope profoundly coincides with the sentiments of the Soviet people." He also recalled that "the Soviet Union has already assumed the responsibility not to be the first to use nuclear weapons, and this constructive stance has been acclaimed by most of the UN member countries." Nevertheless, he noted, our proposal to the United States and other nuclear powers to adopt similar commitments has gone unanswered. He also said that he "is convinced that this historic discussion between different social systems, as well as any other kind of dispute and conflict between the governments, can and should be solved only by peaceful means, particularly considering that the world is loaded with weapons capable of mass extermination." He then said: "It is well known that NATO's military strategy foresees the possibility of being the first to launch a nuclear attack."

"The Soviet Union declares itself opposed to any attempt to upset the existing military equilibrium. We favor a radical reduction of the conventional and nuclear weapons arsenals on the basis of equality and mutual security, and we favor a general and complete disarmament and the total destruction of nuclear weapons," he assured. Finally, he issued a warning: "It is time for Western ruling circles to realize" that "a nuclear war will have catastrophic consequences for humanity."

"The Call of 100 To Continue Living" is made up of Oscar Alende, Jorge Luis Borges, Mgr Jaime de Nevares, Alicia Moreau de Justo, Adolfo Perez Esquivel, Ernesto Sabato, and Saul Ubaldini, among others.

URUGUAYAN PRESIDENT-ELECT PAYS SHORT VISIT

PY121437 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1355 GMT 12 Feb 85

[Text] Buenos Aires, 12 Feb (NA) -- Uruguayan President-elect Julio Sanguinetti arrived at the Aeroparque Metropolitan Airport at 1045 today and was welcomed by Argentine President Raul Alfonsin and Foreign Minister Dante Caputo.

Upon arrival, Sanguinetti stated that "the budding Uruguayan democracy and the blossoming Argentine democracy have an enormous responsibility in facing the challenges of history." Sanguinetti, who will take over as Uruguayan president on 1 March, will hold a press conference this afternoon before returning to Montevideo.

Departs for Montevideo

PY122345 Buenos Aires TELAM in Spanish 2242 GMT 12 Feb 85

[Excerpt] Buenos Aires, 12 Feb (TELAM) -- Today at 1907 Uruguayan President-elect Julio Maria Sanguinetti left for his country from the military section of Jorge Newberry Airport at the end of his official visit to Argentina. President Raul Alfonsin bade farewell to Sanguinetti at the airport shortly before the departure of the Uruguayan National Airline 747 jetliner which took Sanguinetti back to his country.

CAPUTO, GRINSPUN PLEASED WITH CARTAGENA MEETING

PY121210 Buenos Aires Domestic Service in Spanish 2300 GMT 11 Feb 85

[Text] Foreign Minister Dante Caputo has expressed his satisfaction over the results of the Cartagena group meeting. He said that the document signed after the meeting of the Latin American debtor countries in Santo Domingo was a sign of real progress. Caputo made these remarks upon arriving at Jorge Newbery Airport with Economy Minister Bernardo Grinspun from Santo Domingo. Caputo said that the debt is not only a financial problem, but it has political consequences that can affect the social stability of the region. Bernardo Grinspun said that the meeting of the Cartagena group was positive, because a call was made for a political dialogue with the industrialized countries. He also indicated that the next meeting of the Cartagena group will be held in Uruguay, but that the date and the agenda have not yet been fixed. The Cartagena group has drawn the international community's attention to the magnitude of the problem, and to the serious consequences that may result from the lack of discussion of this issue within an appropriate political framework.

DEPUTIES PROPOSE FALKLANDS STUDY COMMISSION

PY122120 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0010 GMT 12 Feb 85

[Excerpts] Buenos Aires, 11 Feb (NA) -- The Radicals and the "official" Peronists today resumed discussions on the Malvinas in the Chamber of Deputies and proposed the creation of a special commission to study alternative proposals for the recovery of the archipelago. They also asked the executive branch for an "immediate" report on the efforts it is undertaking to that effect, including the leasing alternative.

Radical Civic Union [UCR] Deputies Federico Storani, Carlos Becerra, and Horacio Huarte proposed that a special commission be created for the purpose of attaining "unity and consolidation for the recovery of the national sovereignty" of the Malvinas, Georgias, and South Sandwich Islands. This commission will be composed of 11 members, picked from the Legislative Committee of Foreign Relations and Worship. The Peronist deputies who are led by Jose Maria Vernet, Lorenzo Miguel, and Herminio Iglesias proposed that a request be sent to the executive branch asking for information on the possibility of the government's agreeing to lease the Malvinas Islands to Great Britain in exchange for the latter's recognition of Argentine sovereignty over the Malvinas, as has been stated by some UCR legislators. This initiative bears the signature of a dozen deputies, including Carlos Ferre, Norberto Imbelloni, Luis Sobrino Aranda, Juan J. Minichillo, Celestino Blanco, Teofilo Iglesias Villar, and Mario Gurioli.

The UCR draft bill proposes that the special commission undertake "studies and updated analyses of the aspects and alternatives" for the recovery of the territories occupied by Great Britain.

In the first place, the Peronist deputies asked for a report on "the doctrinal, historical, legal, and political principles" involved and on "the objectives and concrete proposals that the executive branch is maintaining in the negotiations that seek to recover our rights" over the Malvinas, Georgias, and Sandwich Islands "which are militarily occupied by the United Kingdom." The "Peronist officials" felt that "even the belief that a lease will somehow be a partial solution is unacceptable." "If it is supposed that our sovereignty will be recognized by leasing our territory to a usurping power, the day in which it will be proposed to rent national territory, to our foreign creditors for example, does not lie far off," they concluded.

COB SUSPENDS STRIKE, ADOPTS STRUGGLE PLAN

Central Bank Strike Suspended

PY121831 La Paz Cadena Panamericana in Spanish 1700 GMT 12 Feb 85

[Excerpts] According to the Bolivian Labor Federation's [COB] instructions issued this morning, the Central Bank will operate normally as of tomorrow. COB Leader Noel Vazquez said that according to COB decisions, the Central Bank strike has been called off.

[Begin recording] The COB Executive Committee has decided to suspend the Central Bank strike. Thus the Central Bank should resume its normal activities as of 1400 today. Issued in La Paz on 12 February 1985 and signed by the COB Executive Committee. [end recording]

Struggle Plan Adopted

PY130320 Buenos Aires TELAM in Spanish 0234 GMT 13 Feb 85

[Text] La Paz, 12 Feb (TELAM-DPA) -- Bolivian workers meeting at a national emergency congress today decided to change their method of struggle against the economic measures adopted by the Siles Zuazo government and called for a general mobilization, instructing the people to come up with solutions for the worst problems.

Today at 1400 the COB convened an emergency congress in which, contrary to expectations, it did not bring up the question of an indefinite general strike. Instead, it unanimously approved a long document calling for the radicalization of the struggle and for an end to requests to a government that can only issue economic packages.

The document, the details of which are still being discussed, calls for protest marches throughout the country. These marches will demonstrate that the people have had enough of this misgovernment and will be a repudiation of the oligarchy, contraband, and the speculation practiced by banks, foreign exchange shops, and large commercial enterprises.

The COB has decided that the trade union organizations throughout the country will organize the people so that they will take over the search for solutions to the transportation problems with the goal of achieving municipal services. They will also work for increased supplies through direct sales of basic items, and the identification of speculators and hoarders.

The COB also voted for commencement of school activities and studies to lower the prices of fuels consumed mainly by the people. The document also called for regulating the commission for allocating foreign exchange and for making overdue payments of the foreign debt owed to international banks.

Some diplomatic observers believe that all the measures are difficult to implement, but they sound spectacular, and appear to be in sharp contrast to government measures without actually posing the serious threat of an indefinite general strike to Siles Zuazo's debilitated government.

ARMY ALLEGEDLY CONDUCTING REPRESSIVE CAMPAIGN

PY121405 La Paz Cadena Panamericana in Spanish 1130 GMT 12 Feb 85

[Text] The La Paz Peasant Federation headed by (Marcial Canabiri) has charged that the Armed Forces have started a harsh repressive campaign against peasants in several La Paz provinces. (Marcial Canabiri) said that Armed Forces garrisons in the area have harshly subdued peasants who were blocking the La Paz-Desaguadero road.

[Begin recording] The peasants who were blocking the La Paz-Desaguadero road were forced at gunpoint to lift the blockade by Army personnel stationed in Guaqui. Fortunately, no one was injured. Soldiers in Army jeeps were looking for peasant leaders in [name indistinct] to arrest them. Pacajes is now completely militarized. Yesterday, Armed Forces personnel arrested several peasants in Pacajes. [end recording]

Armed Forces sources have denied these reports by peasant leader (Marcial Canabiri), who, they say, is protecting the activities of a political movement through these charges.

COMMUNISTS REJECT GOVERNMENT ECONOMIC MEASURES

PY120026 La Paz Cadena Panamericana in Spanish 1700 GMT 11 Feb 85

[Text] The Communists categorically reject the new economic measures adopted by the government. The Bolivian Communist Party, which from October 1982 until recently participated in President Siles' administration, has issued a harsh communique rejecting the new economic package of the government.

The document says: We Communists categorically reject the new economic measures and we exhort urban and rural workers to reject them as well. Within the general framework of defense of the liberties won during the democratic process, we advocate defending the standard of living of the workers affected by the crisis. We appeal to the maturity and responsibility of the labor union movement to organize a struggle that will force the government to consider the worker's proposals and to (?safeguard) the validity of the democratic process which is threatened by coups.

We Communists, the document continues, firmly reject this unpopular economic package and offer our own coherent proposal to overcome the crisis, taking into consideration national and popular interests. Our proposal is basically the same one we advocated when we were part of the government, the rejection of which caused our leaving it.

We propose the following: a) general reorganization of foreign trade; b) total restructuring of the government financial system by instituting supervision and control to reduce speculation and the loss of foreign currency; and c) greater government intervention in the distribution of staples, beginning with the control of prices in those companies that handle large shares of the production of flour, sugar, and oil. The Communists also demand proper salary compensation by means of a sliding scale.

The document concludes: We Communists, gathered in our fifth congress, declare that only by adopting anti-imperialist and anti-oligarchical measures against those who benefit from the people's hunger shall we be able to solve the crisis.

PRESIDENT-ELECT NEVES DISCUSSES CABINET FORMATION

PY112157 Sao Paulo Radio Bandeirantes in Portuguese 1500 GMT 11 Feb 85

[Press conference held by President-elect Tancredo Neves at the Getulio Vargas in Brasilia -- live]

[Excerpts] [Neves] I have just returned from a tour of several friendly countries in order to spread the message of democratic Brazil to other democratic nations of the world to which we are linked not only by (?destiny) but by links of fraternal friendship and mutual respect.

The results of this trip exceeded my goals. We received a warm welcome in all the countries and this welcome was obviously not only directed at the president-elect but to the entire Brazilian nation. This trip was really necessary for us to understand, here, in our country what an important role Brazil plays in the international arena. This importance can only be achieved by maintaining contact with the great world powers. We have really achieved an important position through our culture, our economic vitality, and above all, through our image as a nation, since Brazil is fated to play an important mission in the future. More than it being an important role, it is a role which everyone appreciates, acknowledges, and grants great importance.

We were able to discuss specific issues in the countries we visited although we were not seeking to participate in finding a solution to any current problems but to assert that Brazil's position, in keeping with its judicial-institutional tradition, is to maintain the most cordial relationship with the friendly nations, and above all, to respect all our treaties, commitments, and all our conventions. We were fully understood and had the satisfaction to see that the new government will start governing amidst an atmosphere of sympathy and understanding from the great nations of the world with which we maintain not only historical and traditional links, but also effective economic and cultural links.

I am back to continue our usual chat with my friends the journalists. Those of you here today have obviously found that the problem of cabinet appointments is a hot issue. We are all aware that choosing a cabinet has never been an easy task, it has always been an extremely delicate and difficult task since it requires adjusting political forces that can neither be under nor overestimated.

I owe the political forces that support me, probably for the first time in Brazilian history, preferential treatment, but I never negotiated for the support they gave me. I never received any demands or suggestions for compensation from any of the political groups, factions, or parties that honored me with support. As a result, I am completely free to choose the members of the cabinet that will assist me. It so happens that we are a democracy and that we have come to establish a democratic regime in Brazil. A democratic government is a government that has political support. Therefore, by no means can I plan to reorganize the cabinet without that political support and solidarity.

Right from the beginning I had established some criteria to choose my cabinet. The first thing I will take into account is honesty, then capability, the composition of the political forces that support me, and, a lastly, federalist criterion. It is in compliance with these criteria that we are promoting consultations in order to establish a cabinet that will respond to the nation's hopes and confidence. A ministry within the framework of a truly democratic system cannot avoid being a predominantly political nature. The authoritarian regimes establish technocratic ministries supported by politicians, while democratic regimes establish political ministries advised by technocrats, and this is where the basic difference between the two government systems lays.

We will restore the democratic tradition in Brazil with political ministries advised and supported by technocrats. This is another very important factor that we are taking into account in drawing up our cabinet.

But the important issue is not the debate regarding the cabinet composition, the important issue is to set the guidelines for change. What do we mean by change, what do changes represent, what are changes carried out for? The (?cornerstone) for change is obviously the summoning of a constituent assembly with the purpose of voting on a constitution in 1986. And I say 1986 because before the constituent assembly is summoned we must cleanse the government so that the Brazilian institutions are in a condition to allow the broadest possible election, with participation in all the steps that the establishment of this national constituent assembly requires.

It is absolutely necessary to hold a broad national debate regarding the most important issues of the constituent assembly. It must be carried out with the participation of all interested sectors: the church, civil society, the political parties, the workers, the students, etc. In sum, it is imperative that no organization or member of Brazilian society be left without making his contribution so that we may not only have the most authentic and representative constituent assembly possible, but so that, above all, it will be a modern, a dynamic tool for national renewal. But above all, it must be a basic law, a new political pact that will allow the nation to resume economic development and social justice and that will be a channel for our efforts to build a nation that demands, through its peoples' claims, a political regime in keeping with its traditions. This is the first goal of our changes.

The second goal, simultaneously with the constituent assembly, is that we (?intend) to carry out three very important tasks: to moralize the public administration sector, to carry out tax reform, and to decentralize government administration.

And, [words indistinct], so to say, to implement the changes. We will execute them and we will actually note their implementation. All this concerns the institutional field.

However, the changes must also be felt in the economic field. In the economic field the goal of the changes is to curb inflation and to promote a resumption of economic development. If we are not in a position to curb inflation it will be useless to think of any goal involving changes. Amid an atmosphere of rampant inflation, there is no chance for thinking on any change. Wherever I went during my trip, inflation was actually the issue that concerned all the chiefs of state alike, even in the wealthiest and most powerful countries, countries with solid economics. Inflation is a great enemy. Inflation does not permit any operation within the structures of national life unless it is halted, guided, or actually seriously curbed. The initiative or policy to curb inflation and, promote economic development is, no doubt, one of the most difficult tasks and such a task can only be pushed ahead with the participation of the entire society, of all its segments.

Hence, the concern exists in all nations to seek a social accord whereby some guidelines can be established to facilitate the government's struggle against inflation. In such a social accord, government will have a great responsibility. Since the government is largely responsible for inflation, it must make serious commitments, so that it will no longer be a generator of inflation. The businessmen must actually participate in this social accord, thus bringing about self-denial.

Otherwise, we will be unable to achieve our goals. The working class cannot practice self-denial any longer, because we know very well that these 20 years of authoritarian regime were shouldered by the salaried workers, who continue maintaining the effectiveness of the social accord. However, they can make a very important, constructive contribution so that we have an atmosphere of true social coexistence or social peace to facilitate the struggle against inflation. I repeat and insist that unless we make an effort to curb inflation all our exhortations endorsing changes will be pointless. Inflation truly is an element of deterioration, a disturbing element, an element that ruins existing social structures.

The full... [rephrases] The economic solution in the struggle against inflation comprises (?in the first place) a rescheduling of our foreign debt, the problem of interest, and, furthermore, a problem of creating an economic policy that makes possible not only the renovation of the Brazilian industrial establishment but also trade policy, a policy to serve the permanent objective: to create more jobs and by doing so to make possible more and better salaries. When one talks about a policy to counter inflation one also talks about a salary policy, which in Brazil has always been chaotic. We do not have a firm and well-directed social policy and it is necessary that we now move against inflation, setting a salary policy to meet the just needs of the Brazilian workers.

But it is not enough to promote changes in the economic area, because the need for more urgent changes is felt in the social area. We have to draft a plan for social benefits, including nutrition, housing, social security, and improvement of the standard of living, to provide conditions for well-being and security, including health and personal security, which is permanently threatened in our country. Our government must truly be always dedicated to providing security and stability for our daily social coexistence.

However, this is not all there is regarding the social changes.

The reform of university education in Brazil should be in keeping with the claims of our students and of the experts in this field. Urgently, we must find a proper solution to the university problem in Brazil -- which actually is the problem of our youth -- in order to free students from their permanent state of anguish, desperation, permanent protest, and of the notorious conditions in which they live. We must reestablish them in a position that will permit them to use the university not only as an instrument for technical and intellectual activities but for making it a permanent and efficient instrument of political stability in the country.

Those were the basic and fundamental objectives of our government plan. These objectives will have to be conducted by our ministers; and whoever they are, they will be at the service of this government plan.

I am now at your complete disposal journalist friends, and to any questions you would like to ask.

[Question] [Dornelles] I am Beatriz Dornelles from Radio Gaucha of Porto Alegre, Radio Roraima of Brasilia, and Radio Jornal da Manha de Florianopolis. Last week President Figueiredo signed a decree transferring to the military authorities some prerogatives that were exclusive to the nation's president. One of them is the prerogative to transfer military officers to the reserves. Would you comment on that decree?

[Neves] I have not examined or considered the problem; I don't know the reasons or the basis for this important decision that takes away some of the constitutional prerogatives of the nation's president as supreme commander of the Armed Forces. The question will be analyzed at the appropriate time and the best solution will then be adopted in the best interests of the nation and the Armed Forces.

[Question] [Sotomayor] Walter Sotomayor of UPI. Mr President, the government of General Figueiredo has supported a political negotiation for the foreign debt, considering that this complements the technical negotiations. In Mexico you said that you do not believe in political negotiations. I would like to know whether this is the true position of the government that you will lead.

[Neves] The negotiation of the foreign debt problem has two aspects: First, we owe money to our creditors, that is, banks and bankers, and we must negotiate with them to see if we can place our debts in terms of payments that we can meet, because our main concern is not to cheat anyone out of his money, but to pay what we owe. This is our most elementary obligation. The nations, no matter how great their political influence in the area, are not our creditors. We have no debts with these nations. We can only have debts with nations when at some time, in accordance with their internal legislation, they cooperate with us in cases in which we need assistance. This would not be anything new, because last year some intervention of a political nature was enacted. But I believe that it is wrong to lose sight of the fundamental problem. How can we tackle the political aspect of the problem if the problem is not really a political problem? We must negotiate with our creditors.

[Question] [Rogerio] Pedro Rogerio from O Globo Television Network. Mr President, you admitted that in the government of the new republic you will proceed to enact administrative reform for the ministries, creating new ones and splitting old ones. Have you arrived at any conclusion?

[Neves] Some ministries are obviously too large, for instance the Education and Culture Ministry. Just taking care of education requires all of the minister's abilities. The area of culture ends up asphyxiated within the Education Ministry. Just like the Education Ministry, a culture ministry is being demanded by the Brazilian intelligentsia. This is not a recent demand, but one that comes from long ago. A ministry of science and technology, although it might not be created just now, is a necessity to straighten out some problems, especially in the areas of communications, information, and nuclear energy. It is really necessary to have a government organ to stimulate research in these sectors and to establish order and priorities. The Interior Ministry is a monster that needs not just one but several ministers to take care of it. The current minister, Mario Andreazza, has recently recognized this, just like it has been recognized by all those who have had experience within this ministry. Some ministries may or may not be split, depending on opportunity and political circumstances. But the need is fundamental.

I want to say that one of the priority goals of the government is agrarian reform. How can we carry out agrarian reform in Brazil without providing the Land Affairs Ministry with the structure necessary to pursue its objective? How can we carry out the reforms being demanded not only by us, but by the United Nations and the international finance organizations such as the World Bank and the Inter-American Development Bank, without tackling the agrarian reform that is clamored for by the Brazilian state?

This problem is now (?being felt) throughout Brazil. And we will never bring about reform with the precarious structures of the Land Affairs Ministry, functioning more on the basis of the personal efforts of the ministry than as an instrument of public administration.

[Question] [Unidentified reporter from Lisbon] Mr President, last week Foreign Minister Saraiva Guerreiro gave a lecture in Sao Paulo to a number of representatives of enterprises exporting to the socialist bloc during which he discussed important issues never before addressed by the management of the current Foreign Ministry. I believe that there can be no political objection to a trade that can be considered good and which involves a community of 400 million people and \$250 billion in trade? Ambassador Paulo Tarso, who is on your side and who is responsible for our foreign trade, knows about the problems of our embassies in the socialist bloc and about the weakness of our trade with those nations. I want to ask the following question: Are the economic and cultural relations with the socialist bloc a priority in your program of changes?

[Neves] Is the question addressed to me or to the ambassador?

[Lisbon reporter] No, this is a question asked on behalf of the ambassador.

[Neves] Obviously in the commercial and cultural fields we do not discriminate against any country. We maintain diplomatic relations with all those nations. A curious thing is that we are granting them credits. We have to operate in accordance with their trade balance as of December; I am referring especially to the case of Poland. There is no reason to give up trade with them. Brazil has been making a tremendous effort during the past few years, and we will try to continue this trade, disregarding the ideology of the socialist countries.

[Question] [(Mira Leitaao)] You said today at the beginning of the conference that the first objective of the changes in your government is a national constituent assembly which will be representative, free, and which will really change the country. You also referred to the need for a clean-up operation before the constituent assembly. Could you expand a little more on this? I especially want to know whether it will be the executive or the legislative branch that will carry out this weeding out operation. You are going to take an oath on a Constitution which includes decrees, decree-laws, emergency measures, and others which jurists describe as arbitrary. Do you intend to propose that these measures be repealed immediately upon your inauguration or [words indistinct] Congress?

[Neves] Very well. This is a task to be tackled both by the executive branch and by Congress, especially concerning the (?constitution). I believe that one of the first initiatives will be the modernization, adaptation, and updating of our party and electoral legislation. The Brazilian people must count on appropriate instruments to vote freely for their representatives, to make up the future national constituent assembly. We are going to discuss the text of [words indistinct]. Obviously there are some norms you just mentioned that really need to be totally revised within the democratic spirit which from now on must guide the life of the future leaders of our country.

[Question] [Coarati] Carmen Coarati of Radio do Brasil. During your trip abroad, you said that the place for Brazilians is Brazil. Teodomiro Romero dos Santos, the only Brazilian in exile, has been forbidden to return to Brazil. Is there any possibility for him to return to the country within the program of changes?

[Neves] I am not aware of his personal problems, but he is protected by the Constitution, and there are no laws preventing him from returning. He only needs to submit a petition for habeas corpus to the legislative branch and he will surely have his return to Brazil guaranteed. Now, I am not aware of this case but I promise to study it, and if his return depends for some reason on a decision by the executive branch, I will adopt the appropriate decision.

[Question] [Joao] Anibal Joao Melo from the ANGOLA PRESS agency. Some African (?officials) have been concerned over some statements you have made about future relations between Brazil and Africa. The priorities of the new Brazilian Government toward Africa are clear. I ask the president if, in your opinion, although you have said Brazil has much more to offer than to receive from Africa in economic terms, Brazil should not maintain a special relation with Africa as advocated by some Brazilians, not for merely economic reasons, but for social and cultural reasons.

[Neves] Your question is quite proper. Really, press reports, when referring to Brazil's relations with the Third World and Africa, are contradictory and confusing. Now I have an opportunity to clear up my view of our relations with Africa. We have nothing to change in the policy Itamaraty is following regarding Africa. Brazil has been one of the first nations in morally and politically supporting the movement of emancipation of the former African colonies so that they could find the path toward their perfect democratization, something that, unfortunately, did not proceed as expected in some countries. My position is one of support for the political emancipation of those nations. We were the first nation to recognize Angola, thus demonstrating our concern and intention to maintain the best possible relations with the African nations, not only in the political but also in the economic and cultural areas.

The problem of the Third World nations...[rephrases] We are not Third World nations by our own decision; no one decides to participate in the Third World on his own. The Third World is defined by economic characteristics, and I would say that belonging to it is fatal. Brazil is a Third World country and we have important trade partners in the Third World for mutual benefit. We even belong to the Group of 77, and we performed remarkably in it, just like we have in the United Nations and other international forums. This has always been a factor in our foreign policy. The confusion arises because we do not belong to the nonaligned. We are not members for reasons of national interests, but we are observers.

[Question] [Severo] Jose Antonio Severo from the GAZETA MERCANTIL. Mr President, after your trip to the United States and with the international contacts you made, are you in a position to tell us if the country will this year transfer \$11 billion to cover interest payments and if you will follow the negotiations now under way?

[Neves] At this stage of renegotiations, we could not voice any opinion, because we did not want to hinder them or perhaps be blamed for their failure. We have said that we will honor all the renegotiations carried out by this government. If it becomes necessary, in time we will tackle other negotiations.

[Question] [Holanda] Haroldo Holanda of JORNAL DO BRASIL. Mr President, on what date do you intend to announce your cabinet, before or after the election for executive boards of the Senate and the Chamber of Deputies?

[Neves] If possible I will announce it on 15 March, but since I have to announce it before that date, I prefer to announce it after the elections of the executive boards of the Senate and the Chamber of Deputies.

[Question] [Rodrigues] Cristobal Rodrigues of Radio Sociedad of Bahia and [name indistinct] of El Salvador. Mr President, all prices are going up almost daily [words indistinct] what do you think about the salaries? Are we going to continue with increase every 6 months or will we have increases every 3 months? In the agricultural area, the alcohol manufacture program has been successful. Could we create a bean crop program, and another program for rice?

[Neves] [Words indistinct] since we had 220-percent inflation, I have no other policy but to promote the adjustments of salaries to inflation. Because if salaries surpass the inflation index, they also become inflationary. Keeping salaries under the inflation rate is a social burden that the working people refuse to carry. Now, the alcohol program was indeed a success. We are now saving nearly 180,000 barrels of oil per day thanks to our alcohol production. As for agricultural production, food crops are not that successful, but agriculture for export is good; soybeans sell at a good price, as do coffee and citric fruits. We have no problems in the area of export crops. We do have problems in agriculture for food production. We have been producing 50 million tons of grain for 4 years without increases to match the population growth.

STRIKES PARALYZING SAO PAULO'S ABC DISTRICT

PY121825 Sao Paulo Radio Bandeirantes in Portuguese 1555 GMT 12 Feb 85

[Text] Here is a review of the strikes which are paralyzing several industries in the ABC [Santo Andre, Sao Bernardo and Sao Caetano do Sul metalworkers district in Sao Paulo] district, by Radio Bandeirantes reporter (Luis Carlos Gertel) in Sao Paulo.

[Begin recording] Strikes continue to flourish not only in the ABC district but also throughout the large Sao Paulo area.

In Santo Andre, 1,300 employees of the (CBC) arms and ammunition factory have staged a slow-down to demand the abolition of the 80-hour week, job stability and job commissions.

The regional chemists union has reported that the 700 workers of the Anhemby bleach company in Sao Caetano also started a slowdown today. Moreover, 2,500 Bombril factory workers last night decided to strike in demand of a 30-percent salary increase and job commissions.

In other Sao Paulo districts, workers are on strike at the (FADU) padlock factory; at the Santa Olimpia mill, and at the (Asolap) factory. [end recording]

'ARIANE' ROCKET LAUNCHES BRASILSAT-1 ON 8 FEB

For French reportage on the launching of the European rocket Ariane-3 which placed the Brazilian and Arab satellites, Brasilsat-1 and Arabsat-1, in orbit on 8 February, see the France section of the 11 February Western Europe DAILY REPORT.

FURTHER ON CABINET RESIGNATIONS, APPOINTMENTS

Del Valle Resigns

PY121920 Santiago Domestic Service in Spanish 1630 GMT 12 Feb 85

[Text] Foreign Minister Jaime del Valle will not attend the swearing in ceremony of the new ministers which will reportedly take place this afternoon in La Moneda Palace. The foreign minister sent a message submitting his resignation to the president from Button in the 10th Region of the country where he is on vacation and from where he will not return to Santiago. There was an atmosphere of calm and tranquillity in the Foreign Ministry this morning because the resignation of the foreign minister was considered a normal event. The highest authority at the Foreign Ministry is currently General Sergio Covarrubias, the deputy foreign minister, who will attend the swearing in ceremony of the new ministers.

Jarpa's Resignation Accepted

PA122059 Paris AFP in Spanish 2030 GMT 12 Feb 85

[Text] Santiago, 12 Feb (AFP) -- Chilean President General Augusto Pinochet has accepted the resignation of Interior Minister Sergio Onofre Jarpa, political chief of the cabinet, political sources reported today in Santiago. It was indicated that Jarpa had initiated moves to open relations and begin a dialogue with the opposition, which was definitely suffocated last November when the military government imposed the state of siege. Pinochet has appointed the banker-attorney Ricardo Garcia Rodriguez as new political chief of the cabinet, the sources added. The new ministers are slated to take their oaths of office this afternoon at La Moneda Presidential Palace.

Decree Names 2 New Ministers

PY122105 Santiago Domestic Service in Spanish 2036 GMT 12 Feb 85

[Text] Interior Ministry Under Secretary Alberto Cardemil Herrera will now read a decree:

Resignations are accepted and ministers are appointed in the ministries that are mentioned as follows:

Decree No 184 Santiago, 12 February 1985

Considering Article 32, No 9, of the political Constitution of the Republic of Chile, I decree:

First. The resignations of Messrs Sergio Onofre Jarpa Reyes as interior minister, and Luis Escobar Cerda as finance minister are accepted on this date.

Second. The appointments of Ricardo Garcia Rodriguez as interior minister and Hernan Bucchi Buc as finance minister are made effective on this date.

Publish, File, and Comply

[Signed] Augusto Pinochet Ugarte, Army general and president of the nation

Sergio Onofre Jarpa Reyes, interior minister

Biographical Information

PY122135 Santiago Domestic Service in Spanish 2046 GMT 12 Feb 85

[Text] As for biographical data on new Interior Minister Ricardo Garcia Rodriguez, we can report that he is a lawyer and graduated from the Catholic University of Valparaiso where he has served as a professor. He was president of the Student Federation more than once. Until recently he was manager of (ACIBA) [expansion unknown] in the 5th Region and at the same time secretary general of the Inter-American Saving and Loan Associations Union. Minister Garcia was born in Santiago on 30 November 1930, is married to Mrs Silvia (Hoels Beiser), by whom he has five children.

As far as new Finance Minister Hernan Bucchi is concerned, we can point out that he has held the posts of bank superintendent and health under secretary.

This is the most noteworthy biographical information about the two new ministers who have just taken the oath of office here in the O'Higgins Hall of the La Moneda Palace in Santiago.

Pinochet Addresses Ceremony

PY122305 Santiago Domestic Service in Spanish 2040 GMT 12 Feb 85

[Speech by President Augusto Pinochet at La Moneda Palace in Santiago during the swearing in ceremony of new cabinet ministers -- live]

[Text] Ministers of State; Generals and Admirals; Director General of the Investigation Police; Mr Comptroller General of the Republic; Messrs Under Secretaries; Ladies and Gentlemen:

The unchangeable desire of the president of the Republic to advance toward the establishment of the institutional system which the citizens approved through the 1980 Constitution demands that important initiatives be carried out this year.

The country's general situation has prompted the adoption of measures which will guarantee the achievement of the objectives of progress and development sought by the government. These measures have allowed the citizens a time for the meditation necessary to overcome the current atmosphere, which poses a serious threat to national unity and to democratic discussions which some, using methods of the past and modern techniques of psychological action, tried to maintain for the purpose of promoting general unrest, and conflicts with students.

The exceptional measures adopted by the government have created the conditions to make the government's action more fruitful in solving the fundamental problems that are adversely affecting the country. Thus, most citizens have become aware that internal peace has been restored, without affecting their quest for personal fulfillment. Only those who, blinded by the ambition for power, try to disrupt the established order have felt the effect of these measures.

Gentlemen, having overcome the most serious moment of the economic crisis that has affected the country, we are now in a position to undertake the decisive stage of the political process, consolidating our economy and definitely strengthening the institutional system provided for by our Constitution.

The current ministerial cabinet has been given the important task of carrying out this process. For this reason, with the direct and immediate cooperation of the ministers, the government and the state administration will play an important role because it will take advantage of its knowledge and experience to satisfy the demands of the present.

The work to be carried out by the new interior minister, lawyer Ricardo Garcia Rodriguez, will be very important. The interior minister, in his role as chief of the cabinet, will coordinate the efforts of the ministers seeking prosperity by means of continuous work and the strict observance of the Constitution and the laws.

The work carried out by Escobar Cerda, who is today leaving the cabinet, deserves the gratitude of the president of the Republic and of the whole country. He has devoted all his efforts to promoting the good of his fellow citizens, thus showing his dedication to public service.

I would like to make a special reference to Sergio Onofre Jarpa who contributed his experience, exemplary loyalty, patriotism, and honesty in leading the Interior Ministry, a particularly complex post. He did not spare any effort or sacrifice in pursuing what was demanded of him when he assumed his post and he maintained a constant willingness to serve throughout his term as a public servant.

Gentlemen, the process of recovery in our country, which we started on 11 September 1973, will continue with constant progress until we achieve the objective that inspired our historical decision to turn Chile into a nation based on the spiritual integration and unity of all the Chileans, where individual freedom will coexist harmoniously with an authority that safeguards the common good, and where citizen's actions will be oriented to achieve constant political, economic, and social development based on the purest values of our national character. The challenge of this hour forces us to strengthen our will and efforts to attain these important objectives for the benefit of our fellow citizens. Thank you. [applause]

New 'Hard-Line' Position Seen

PY122324 Buenos Aires TELAM in Spanish 2221 GMT 12 Feb 85

[Text] Santiago, 12 Feb (TELAM-REUTER) -- President Augusto Cesar Pinochet Ugarte today replaced his interior and finance ministers.

As replacement for Interior Minister Jarpa, Pinochet chose a businessman with no government experience and with no connection with political parties, Mr Ricardo Garcia Rodriguez. For most Chileans, the replacement of the conservative politician Sergio Onofre Jarpa came as a surprise, but it was no surprise for more sophisticated observers. As the possibilities for a well-conducted dialogue with the Catholic Episcopate recede and as even the most moderate politician and political parties drift into the hard-line opposition, the presence of a man who favored liberalization in the Interior Ministry made no sense.

In this way the government definitely adopts a hard-line position, which will not necessarily make it stronger.

It was also logical that Finance Minister Luis Escobar, who had been brought into the cabinet by Onofre Jarpa last year to bolster his liberalization attempt, should go out along with the interior minister. Escobar was replaced by Hernan Buchi, former planning minister and current superintendent of banks and financial institutions. He is a technician, or a bureaucrat, depending on the angle one is looking from.

Changes Said Tied to U.S. Policy

PY121910 Buenos Aires Domestic Service in Spanish 1600 GMT 12 Feb 85

[Report by Pati Pena from the Journalists Association in Santiago]

[Text] Yesterday evening Secretary General of Government Javier Cuadra announced that General Pinochet had requested the resignation of his entire cabinet and that changes which the president would make would be disclosed today. According to commentaries in the media this decision is allegedly related to press reports received a few hours ago here in Santiago which carried recent statements by U.S. President Ronald Reagan. The U.S. President had allegedly stated that his government would resume military aid to Chile if President Pinochet's government changed its policy and started a dialogue with the opposition. It was added that Reagan's administration has also conditioned its position on future loans to the Chilean Government to this change of policy. It should also be recalled that U.S. spokesmen had called for a solution to the present situation. This would require the establishment of a new cabinet of consensus that will be capable of undertaking negotiations. But for this to be achieved, a way will have to be cleared by peaceful actions. The court decision declaring the Popular Democratic Movement illegal was the first step in achieving this objective. After this a judicious politician would be appointed interior minister. So far the names of Julio Duran, William Thayer, and (Arturo Falcon) have been mentioned for this post.

The first move for political opening would be to repeal the state of siege. After this any additional steps would be carried out through an appointed congress. According to commentaries, the terms of the negotiations have made notable progress and, in addition to this, the new cabinet could be appointed this afternoon. The Armed Forces and their demands allegedly continue to be the sensitive point. Basically, they have three demands: the permanent proscription of the Communist Party; permanent respect for private property; and a guarantee that the members of the Armed Forces will not be subjected to a Nuremberg trial. The military (?support) allegedly depends on the acceptance of these three demands.

So far the government allegedly has the support of the right, of a sector of the opposition, and of the U.S. State Department, in addition to that of the nuncio and the Vatican, which would approve those changes of policy. Therefore, the swearing of the new cabinet has created great expectations in all political circles of the country. The media has not been able to publish or disseminate much of the information we have just commented upon since censorship is still very tight for all sectors of the Chilean media.

Cuadra Sees 'New Phase'

PY130125 Santiago Domestic Service in Spanish 2200 GMT 12 Feb 85

[Report from Government House by Hugo Reyes]

[Excerpt] Minister Secretary General of Government Francisco Javier Cuadra has said that the recent replacement of the finance and interior ministers represents a new phase for the government. However, he said that this will be better explained by the interior minister, Ricardo Garcia Rodriguez. When asked if maintaining the extraordinary measures would be part of the new political plan, Cuadra recalled President Pinochet's own statements made during the swearing in ceremony of the new cabinet today. He had said that extraordinary measures had to be adopted in order to promote a situation that would allow the people a longer time to think and to make some progress regarding institutionalization, as established by the 1980 political Constitution.

GOVERNMENT SETS CONDITIONS FOR M-19 CONGRESS

PA122130 Hamburg DPA in Spanish 1949 GMT 12 Feb 85

[Text] Bogota, 12 Feb (DPA) -- The Colombian Government reported today that it is willing to authorize a national congress of the 19 April Movement, M-19, "anywhere in the country, provided that those participating do not carry arms or wear military uniforms." This announcement was made today at noon by Government Minister Jaime Castro, in response to the concern expressed by M-19 leaders, particularly those members of the guerrilla movement who had convoked the meeting at Los Robles, in the southwestern Department of Cauca.

The minister said that President Belisario Betancur's government's decision to forbid the holding of the M-19 congress "was not made hastily, since it had already warned that concentrations of armed people in military uniform would not be permitted." The official reported that 8 days ago he told M-19 leader Antonio Navarro Wolff that the guerrilla congress could not be held as planned by the guerrilla movement.

Castro said that the government had warned the M-19 leaders that no political proselytizing would be allowed in the Los Robles area, especially since the M-19 leaders had announced that they would attend the proposed meeting carrying arms and wearing military uniforms. Castro said that he does not think that the M-19 assembly, during which the group will presumably announce the creation of a political party, "mars the peace efforts being promoted by Betancur's government."

In a communique released yesterday by the presidential palace, it was reported that outsiders are being banned from Los Robles and so are those who were planning to participate in the congress for peace and democracy convoked by the M-19. In addition, the government reiterated that it would continue offering to all political organizations without exception all rights and guarantees "provided for in our legal system for legitimate activities."

The M-19 congress is slated to be held between tomorrow, Wednesday, and 17 February. Political leaders and spokesmen for trade unions and journalists associations, as well church delegates, many people from various walks of life, and international observers have been invited to this congress.

Minister Castro Comments

PA130149 Bogota Domestic Service in Spanish 1730 GMT 12 Feb 85

[Press conference held by Government Minister Jaime Castro at the end of a cabinet meeting in Narino Palace in Bogota on 12 February; questioners not identified -- recorded]

[Text] [Question] What is the current situation in Cauca Department?

[Castro] As far as I know it is normal.

[Question] Some people have been stopped on their way to Los Robles. What will happen to them?

[Castro] No arrests have been made. They have simply not been permitted access to the site of [word indistinct]

[Question] What can they do?

[Castro] That is up to them.

[Question] [Words indistinct] be held?

[Castro] [Words indistinct] return to their places of origin [words indistinct] the political events can be held anywhere in the country as long as they are not held in the military camp and there is no presence of uniformed and armed people. The M-19, the Popular Liberation Army, and other new or old political organizations have been able to hold all of the political events they wanted to as long as the circumstances that were expected to exist in the Los Robles camp are not present.

[Question] There is a delicate situation because a group of people who were going by bus have occupied a church in Armenia. They are asking if they will be arrested or how they will be returned home. This type of situation is going to arise.

[Castro] They are not going to be arrested. They should return by the same means that they used to arrive at the site where they are now located.

[Question] But what will happen if they occupy a church as a protest?

[Castro] The [word indistinct] situation will be handled. This is the first I have heard about that specific case. [passage indistinct]

[Question] Could they say that this is harassment?

[Castro] Who?

[Question] Those of the M-19 [words indistinct].

[Castro] They could say many things, but it is not harassment.

[Question] But has the area been placed under military control?

[Castro] I do not have figures on military troops in the area, but I understand that there has been reinforcement of some established checkpoints where control already existed. The control consisted of searching people. However, they were permitted to move about. They are not permitted to move about now. I am talking of people other than those who live in the region, that is to say, other than the peasant population.

[Question] (?Not even) the journalists who want to enter the region?

[Castro] I already said that this includes people other than those who live in the region.

[Question] How long will this restriction last?

[Castro] This depends on the development of the situation (?in the next few days), but it should not last very long.

[Question] [Words indistinct] the guerrilla groups a date in which they would formally participate in public [word indistinct]. When would this be established, considering that the elections are getting nearer?

[Castro] We have reiterated that invitation to them as you have pointed out. Since there will be an electoral debate next year, a date should be set far ahead of time so they can participate in the entire political process with the full guarantees and rights established in our legal system.

[Question indistinct]

[Castro] This is [word indistinct]. There is no decree that can establish [words indistinct] 1 December.

[Question] But if no date is established, then will the government not authorize their (?participation) in the elections?

[Castro] Well, let us not get ahead of things. Everyone is interested in having them return to a normal situation, to ordinary political life. This is the obvious consequence of the current peace process. Let us have confidence that this will occur.

[Question] Could this incident with the M-19 over the holding of the congress affect the [word indistinct] of the national dialogue and the peace talks?

[Castro] We hope not. Nowhere in the truce and peace agreements is it established that political proselytizing can be carried out by individuals or organizations with military uniforms and weapons.

TALKS WITH VENEZUELA ON DISPUTED AREA SOUGHT

PA121559 Bogota Cadena Radial Super in Spanish 0000 GMT 12 Feb 85

[Text] Bogota -- Today Colombia proclaimed its vital interest in the zone under dispute with Venezuela regarding the negotiations on marine and submarine areas. The Foreign Ministry announced that the government is willing to resume direct talks once an agreement is reached on the mode of operation, a deadline for the talks, and the solution that would be implemented if a definitive agreement is not reached.

PEASANTS DEMAND ARMY FULFILL AGREEMENT

PA111240 Bogota Cadena Radial Super in Spanish 1730 GMT 10 Feb 85

[Text] Medellin -- El Bagre peasant leaders have demanded that security forces be withdrawn from the area and that agreements be fulfilled. This demand was presented to the verification commission, which recently visited Puerto Claver.

Puerto Claver residents said that the agreement signed last year by representatives of 5,000 peasants from Diez Veredas and the Army has not been fulfilled. The peasants reported that in addition to not building schools, secondary roads, and health centers, a number of raids, illegal detentions, and severe military control of the area have occurred as the result of the actions carried out by a unit of the National Liberation Army, enemy of the truce.

The peasants have again demanded that the verification commission headed by Governor Alberto Vasquez Restrepo intervene so the agreements that were signed are fulfilled, thus improving the population's standard of living.

CIVIL GUARD ATTACKED BY TERRORISTS IN AYACUCHO

PY121400 Madrid EFE in Spanish 0146 GMT 12 Feb 85

[Text] Lima, 11 Feb (EFE) -- The radio station Radioprogramas del Peru today reported that five persons, including a policeman, have been wounded in a terrorist attack against members of the Civil Guard in Ayacucho. According to the radio station, three individuals fired on two Civil Guard members near a Civil Guard precinct in downtown Ayacucho, wounding one of them. Another four persons who were in the area also were wounded during the shoot-out when the policemen repelled the attack.

The radio station also reported yesterday that the body of a driver with his throat slit was found in the Marcas settlement, but no details were given.

Peruvian Interior Minister General Oscar Brush has said in Lima that the Maoist terrorist organization Shining Path is forcing minors to carry out terrorist actions under threat of death. Brush stated that the subversives enter houses in the Ayacucho emergency zone disguised as policemen, soldiers, and priests, forcing boys and girls from 12 to 15 years of age, to follow them with the threat that their parents and relatives would be killed. Once forced to join the groups, they are ordered to attack military posts under threat of death, said the minister who labeled as infamous this technique by the Shining Path terrorists.

COMMUNISTS DENY CONNECTIONS TO SHINING PATH

PY121200 Lima Television Service in Spanish 0430 GMT 12 Feb 85

[Text] Gustavo Espinoza, head of the Communist Party of Peru, has stated that his party is an obedient movement, without any links to terrorists, and that it does not stain walls with political propaganda.

[Begin recording] [Reporter] Are there any links between the Communist Party and Shining Path?

[Espinoza] We have repeatedly said that our party has absolutely no links with Shining Path. We carry out revolutionary activities, not terrorist activities. [end recording]

CORRECTION TO EMBASSY CONTRIBUTING TO APRA

The following corrections pertain to the item headlined "Garcia Denies ROK Embassy Contributing to APRA," published in the 8 February Latin America DAILY REPORT, pages J 1 and J 2:

Page J 1, headline reads: Garcia Denies DPRK Embassy Contributing to APRA (changing "ROK" to "DPRK")

same page, paragraph three, lines one and two: ...saying that the DPRK Embassy is helping to... (changing "ROK" to "DPRK")

Page J 2, subhead read: DPRK Ambassador Denial (changing "ROK" to "DPRK")

same page, paragraph two, line one reads: [Text] DPRK Ambassador to Peru Kim Chan-sik today... (changing "ROK" to "DPRK")

SUPREME COURT HEAD SWORN IN AS INTERIM PRESIDENT

PY122155 Madrid EFE in Spanish 2117 GMT 12 Feb 85

[Text] Montevideo, 12 Feb (EFE) -- Rafael Addiego Bruno, a 61-year-old attorney, was today sworn in as president of Uruguay after the military regime accepted the resignation of Lieutenant General Gregorio Alvarez, the last president of the nearly 12-year-old de facto regime.

Addiego, who was president of the Supreme Court, will be charged with transferring the presidential office to President-elect Julio Maria Sanguinetti on 1 March.

Acting President Addiego took the oath of office before the National Council, an organization with constitutional and legislative powers, created by the de facto regime.

Addiego was appointed in accordance with the Uruguayan Constitution which states that the chief justice will take over the presidency when there is a vacancy.

Alvarez resigned on 11 February along with two officers who were serving on his cabinet: Interior Minister General Julio Cesar Rapela and Planning Minister Lieutenant General Pedro Aranco.

INTERIOR MINISTER-DESIGNATE ON POLICE CHANGES

PY120237 Montevideo Radio Carve in Spanish 0000 GMT 12 Feb 85

[Excerpt] Interior Minister-designate Carlos Manini Rios has stated that the police will be changed from a paramilitary organization into a civilian one. Manini Rios added that he will strictly respect human rights and that he will implement the Constitution and laws in defense of citizens. He made his firm remarks immediately after being designated by President-elect Julio Maria Sanguinetti.

NEW AGRICULTURE, FISHERIES MINISTER NAMED

PY120224 Montevideo Radio Varve in Spanish 0000 GMT 12 Feb 85

[Text] Agronomist Roberto Vazquez Platero has been designated new agriculture and fisheries minister. With this designation, Dr Julio Maria Sanguinetti's ministerial cabinet is complete. Vazquez Platero is the Colorado Party's delegate to the National Confederation of Professional Associations' work group on agricultural and livestock affairs.

PRESIDENT ON 'DESIRE' FOR TRADE TREATY WITH U.S.

FL121654 Mexico City NOTIMEX in Spanish 0429 GMT 12 Feb 85

[Text] Mexico City, 11 Feb (NOTIMEX) -- President of the Republic Miguel de la Madrid said today that Mexico is willing to negotiate an economic agreement with the United States that covers the basic aspects of economic relations between the two countries with dynamism and fairness.

At a meeting with Mexican and foreign businessmen, the chief executive said that the government has no taboos or myths and is willing to revise the framework of bilateral trade now that a similar tendency is being observed in other nations and there is great interest in studying the international trade situation. Mexico will have to be alert to these developments and study the conditions under which the changes in international trade are occurring. We will have to take timely, sensible steps to become competitive.

He said that Mexico, together with its trading partners and especially the United States, must seek a framework that will give greater security for planning the export program so essential to our national economic recovery. There is talk of the advisability of a bilateral treaty covering the most important aspects of Mexican-U.S. economic relations, he said, and stressed his government's desire to negotiate such a treaty.

President De la Madrid said that we are not going to cling to guidelines or decisions that may have been justified or useful in the past, adding that the Mexican people's thoughtful attitude is our opening to change, innovation, and decisionmaking, when this is in agreement with our national development policy.

The president ratified Mexican policy on foreign investments, a policy which is active and selective. It is not limited to receiving offers but rather promotes short-, medium-, and long-term investments under the existing laws.

Our economy and the international economy make it indispensable that foreign capital make a dynamic, positive contribution to our national development goals, the president told the members of the Mexican-U.S. businessmen's committee. He said the nation is determined to maintain its mixed economic system in which the public, private, and social sectors work in harmony. He said that, thanks to the effort made by Mexico in the last 2 years, important advances in economic reorganization have been achieved, such as the recovery of the growth rate, estimated at 3 percent in 1984, the reduction of inflation, and the increase in private investment in Mexico, which is even greater than public sector investment.

Our immediate efforts aim at restoring normal conditions so we can get back on the road to development, the president said. He also spoke of the need for structural and qualitative changes in our system to increase productivity both in the private sector and in the most sophisticated industrial installations.

The president acknowledged the importance of the private sector in economic recovery and in the drafting of new development guidelines. He also said the government believes its role is basic to the achievement of these objectives.

The chief executive stressed the need for continuing direct foreign investment that makes a dynamic positive contribution to the goals of our national development plan. He spoke of the strict relationship that exists between foreign investment and trade on the one hand and foreign investment and technological innovation on the other.

He spoke of the problems of an unstable, erratic crude oil market, not only because of our short-range interest in convertible currency, but also because the weakening of incentives to invest in hydrocarbons could cause the same type of crude oil crisis we saw in the 1970's, he said.

We require a crude oil market in which prices move in a way to encourage investment. But, he said, even if we had this market it would be indispensable to encourage the export of products from other industries. To do so it is necessary to readjust the economic apparatus and maintain a reasonable certainty of access to our market for exporting countries.

Finally, the chief executive said that in the last 2 years we Mexicans have not encountered any great obstacles to our exports. This is shown by the export statistics for products other than petroleum products. But there is no doubt that protectionist attitudes discourage medium- and long-range investments in Mexico for export purposes.

Rodman C. Rockefeller, the representative of the U.S. businessmen, expressed his gratitude for the chance to discuss matters of mutual interest at the highest level. He also expressed the admiration of U.S. business for the manner in which the Mexican Government has managed its economic recovery and has been able to face up to its foreign debt problem. He also expressed the concern of U.S. private enterprise, saying that U.S. importers will be more receptive toward Mexican exports if it is shown that there is a chance of stable, long-term trade relations between the two countries.

SEPULVEDA ON INDEBTEDNESS, FOREIGN POLICY

PA120407 Mexico City THE NEWS in English 6 Feb 85 pp 1, 5

[By Luis Felix-Flores]

[Text] Foreign Relations Secretary Bernardo Sepulveda on Monday emphasized "the urgent need of Latin American governments to adopt measures to alleviate their foreign indebtedness, bolster financing for development of their countries and turn in their favor the protectionist trends hampering trade in their products." Sepulveda spoke during a banquet he hosted for Brazilian President-elect and Mrs Tancredo Neves before their departure for Buenos Aires via Lima.

The secretary warned against "the serious double-edged political and economic threat facing some Latin American countries because of the international economic crisis." He pointed out "the imperative need to halt the continuous deterioration of the region's economic conditions and its urgent and non-deferrable need for democratic and equitable development."

Sepulveda told the visitor and members of the diplomatic corps attending the banquet in the Secretariat of Foreign Relations building that actions for economic development "cannot disregard political and social evolution." Turning the adverse situation into an opportunity, Sepulveda said, represents a challenge to identify the complementary resources of each people with national efforts for economic reorganization and recovery.

"This development can only be achieved in full through cooperation and peace," he told his guests. Confrontation among the power blocs, increases in regional tensions and irrational mustering of arsenals keep the international community in constant anxiety and impede the creation of an environment of reciprocal confidence that can be the determining influence in the solution of contemporary problems," Sepulveda said.

He said Mexico and Brazil agree in respect to the struggle for a constructive contribution toward the solution of political and economic questions affecting the present and the future of the region's nations. "Let us defend the right to the survival and progress of all nations," Sepulveda said.

He rejected military solutions and power politics, which, he said, debilitate world order and stability, and at the same time restrain expectations of political and economic democracy. "This has been manifest in Central America," he said, "where the increasing and legitimate aspirations for political participation, well-being and justice have not had a satisfactory response." "Growing arsenals of arms, destabilizing and belligerent actions, shows of force and attempts to situate the problem in the East-West context, keep the countries of Central America on the verge of a conflagration that would end in demolishing their capacity," the secretary said. [quotation marks as published] He said the Contadora Group has directed its activities at "consultation and negotiation, tolerance and respect," and that its objectives and instruments are observation of rights and of the principle of international coexistence.

Sepulveda told Neves that Brazilian foreign policy, like Mexico's is not the result of improvisation or of mere reaction to circumstantial facts. "It is the result of historical experience and of the conviction that an alert diplomacy can yield benefits for the progress of our people," he said. "We face various challenges," he said. "But we have the responsibility to expand our capacity for action by acting within a political framework full of risks, difficulties, and arrogance." Sepulveda emphasized the political maturity of both governments. The institutional frameworks of Brazil and Mexico, he said, leave room for broadening cooperation in all spheres and for strengthening their influence with regard to those questions that most concern the region and the community of nations.

CENTRAL BANK REPORTS ON FOREIGN CURRENCY OUTLAYS

FL122018 Mexico City NOTIMEX in Spanish 2115 GMT 12 Feb 85

[Text] Mexico City, 5 Feb (NOTIMEX) -- The largest category of currency outlays during January-September 1984 was interest payments on the foreign debt, which amounted to \$12,543,200,000. The Bank of Mexico made that statement, adding that it received \$760.4 million in new credits, used \$991.3 million more for amortizations, and registered outlays of 400.9 million to service its debts. On the payment of the short-term private foreign debt, the bank pointed out that companies remitted \$1.879 billion overseas and liquidated \$2.272 billion more in interest payments. It said balance of payment activity in 1984 showed an increase of \$31.8 million in gross reserves, a decrease in new investment, and a deficit in international transactions. The bank showed that exports of domestic goods went from \$6.36 billion in the first quarter of 1984 to \$5,781,200,000 in the third quarter.

PEOPLE'S SOCIALIST PARTY CONGRESS RESOLUTION

PA081647 Mexico City EL DIA in Spanish 2 Feb 85 p 12

[Resolution of the 12th Congress of the People's Socialist Party [PPS] held on 24-26 January at the national medical center in Mexico City; date not given]

[Excerpts] The PPS 12th Congress has carefully considered the current status of the problem of war and peace, as befits its role as the vanguard party of Mexico's working class. The party has been forced to examine the main problems of our time from the standpoint of Mexico's working class and people and, using the most rigorous scientific methods, identify the most important obstacles to our fair plans to build a fully sovereign nation in which there is peace, food, and democracy.

Taking as a guide the party's declaration of principles that identifies the problem of war and peace as the most important in our time, and with the help of the extensive scientific knowledge gathered through study and the party's systematic action in recent years for peace in all of the forums that they have been able to attend, the central committee's evaluation of the danger of nuclear war has been considered correct. In its political report to this congress, the central committee asserts that at no other time in history has mankind been confronted with the real threat of extermination it faces at present time. As the result of these considerations, the PPS 12th Congress resolves:

1. To fully support all pronouncements and actions that President Miguel de la Madrid has made for peace and disarmament and against nuclear war in various national and international forums, particularly those meetings currently being held with the heads of state of Argentina, Greece, India, Sweden, and Tanzania.
2. To fully support and identify with the Contadora Group's actions. This group, of which Mexico is a member, makes efforts to carry out negotiations regarding all conflicts generated in Central America and the Caribbean in order to eliminate the threat of war caused by U.S. imperialism's threats and provocations against brother peoples of the region, particularly Nicaragua and Cuba.
3. To constantly disseminate information on the meaning of the threat of nuclear war and the newest technical and scientific means being used to conceal and dismiss this threat in manufacturing plants, municipalities, schools, laboratories, unions, and social organizations. In this manner we plan to denounce permanently U.S. imperialism as the principal party responsible for the arms race and the danger of a nuclear holocaust.
4. To demand at all forums, especially at the Mexican Congress and local congresses throughout the country as well as unions and cultural institutions, the imperative adoption of agreements on nuclear disarmament and the subsequent destruction of all nuclear weapons.
5. To demand the banning of all war propaganda through the mass media, particularly the propaganda broadcast by the Televisa monopoly and this enterprise's television and radio relay stations in our territory.
6. To systematically denounce before the people the link between the huge expenses caused by imperialism's arms race and the growing indebtedness of all developing countries. This forces Mexico and all other Latin American countries to live in a state of prewar, with all its characteristics of shortages, low production, inflation, and crisis.
7. To mobilize the party throughout the country to continue assisting in the national structuring of the Mexican Movement for Peace, Anti-Imperialism, and Solidarity Among Peoples (Mompas), and forestering its operation, as well as promoting and executing all tasks that might contribute to raising the Mexican people's awareness of the real danger of a nuclear holocaust with which imperialism threatens mankind.

Let us struggle indefatigably so that the night of nuclear winter never arrives!

Long Live Mexico!

NORIEGA SAYS JOINT EXERCISES COMPLY WITH TREATIES

PA120029 Panama City MATUTINO in Spanish 8 Feb 85 p 1 B

[Text] General Manuel Antonio Noriega, Defense Forces commander in chief, has sent a thank you letter to Dr Roberto Velasquez A., president of the Committee of Loyalty for Peace, for his support and confidence in the military exercises being carried out by our Defense Forces.

Gen Noriega stated in part of the letter: "By cooperating with U.S. troops in joint exercises, the Defense Forces of Panama, which I have the honor of commanding, are doing nothing more than complying with the letter and spirit of the Torrijos-Carter treaties and preparing all its units to assume defense and security tasks throughout the nation, including the Panama Canal, within 15 years."

CHAMBER OF COMMERCE OPPOSES LEVYING OF NEW TAXES

PA120151 Panama City LA ESTRELLA DE PANAMA in Spanish 10 Feb 85 p 16 B

[Communique issued by the Chamber of Commerce, Industries, and Agriculture on 6 February in Panama City]

[Text] The Panamanian Chamber of Commerce, Industries and Agriculture, aware of the current deplorable political, economical, social, and fiscal state of the Republic, feels compelled to express its concern and state the following to all citizens:

First: It is public knowledge that the general budget of the state does not conform to the constitutional mandate established in Article 267, which reads: "In the budget drafted by the executive branch, the expenses will be balanced by the revenue." This reveals irresponsibility and lack of seriousness on the part of the executive branch.

Second: Before submitting the budget, the national government should have made the necessary cuts and adjustments in order to be able to present a fiscally balanced budget, as is ordered in the political Constitution of the Republic, because this is the only way in which the national government can put public affairs in order and begin gaining credibility and trust.

Third: We have learned that new taxes are being considered as a means of balancing the state's general budget. These measures will cause the national economy to contract further and will continue to reduce the consumers' purchasing power. These measures also ignore the fact that with new taxes, unemployment in all sectors would increase to unforeseen levels, with disastrous results for the country.

For all of these reasons, the Panamanian Chamber of Commerce, Industries, and Agriculture, convinced that the reactivation of the national economy is the only alternative and solution for increasing the fiscal revenue and the national well-being in general, invites the national government to mediate on the search for a solution to the fiscal problem within this context. We also exhort all the trade unions and citizens in general to channel their efforts toward this goal.

Released in Panama City on 6 February 1985

FOREIGN MINISTERS TO MEET ON CONTADORA MEETING

PA130104 Hamburg DPA in Spanish 2336 GMT 12 Feb 85

[Excerpts] San Jose, 12 Feb (DPA) -- The Costa Rican, Salvadoran, and Honduran foreign ministers will hold an emergency meeting in San Jose tomorrow to determine whether or not they will attend the 2-day Contadora meeting to be held in Panama City on Thursday.

Honduras' Edgardo Paz Barnica, El Salvador's Jorge Eduardo Tenorio, and Costa Rica's Carlos Jose Gutierrez will meet at 1000 local time at the Costa Rican Foreign Ministry "to examine the Central American situation and the Contadora Group's convoking of a meeting of the five Central American foreign ministers in Panama City on 14 and 15 February."

In reporting on this, the Costa Rican minister said concisely: "We will meet to discuss Contadora and decide on our strategy." Gutierrez indicated today that Costa Rica will not attend the Panama meeting if Nicaragua has not released Manuel Urbina Lara by the time of the Contadora meeting. Urbina Lara is a Nicaraguan refugee who, according to the Costa Rican Foreign Ministry, was forcibly taken out of the Costa Rican Embassy in Managua on 24 December.

The Costa Rican Foreign Ministry reported this afternoon: "The Costa Rican stance remains unchanged. We will not attend the Panama meeting as long as Urbina Lara remains detained."

COSTA RICAGUTIERREZ SAYS NICARAGUA NOT TO RETURN URBINA

PA130030 Panama City ACAN in Spanish 2338 GMT 12 Feb 85

[Text] San Jose, 12 Feb (ACAN-EFE) -- It was officially reported here that the Nicaraguan Government will not return Jose Manuel Urbina Lara, who was formerly under diplomatic protection at the Costa Rican Embassy and was detained in Managua on 24 December. The Sandinist government's decision was announced by Costa Rican Foreign Minister Carlos Jose Gutierrez, who mentioned reports received through various diplomatic sources.

In light of this, the Costa Rican Government maintains its earlier decision not to attend the Contadora Group's next meeting slated for Thursday in Panama City. El Salvador and Honduras have previously expressed their decisions not to attend the Panama meeting in solidarity with the Costa Rican Government.

3 NICARAGUAN MILITIAMEN CONFIRM ASYLUM REQUEST

PA121919 San Jose Radio Reloj in Spanish 1200 GMT 12 Feb 85

[Text] The three Nicaraguan militiamen found on Costa Rican territory several days ago have confirmed their desire to remain in our country. The Nicaraguan ambassador visited Guadalupe Palacios, Guadalupe Lopez, and Rodolfo Avilez at the entry unit in San Jose last week. They were being held there at the orders of the Immigration Directorate. After the meeting with the Nicaraguan envoy, it was reported that the three Nicaraguans had changed their minds and wanted to return to their country. However, this was denied yesterday during an interview with the militiamen at the refugee office.

According to Justice Minister Hugo Alfonso Munoz, the Costa Rican Security Council issued the necessary authorization for the Nicaraguan diplomat to visit the three refugees. We feel that it is important to give guarantees to both sides. The Nicaraguan Embassy asked for permission to talk with the militiamen who agreed to the meeting. The Costa Rican state, which is different from totalitarian states, is open and permits this type of activity.

EL SALVADOR

EXPLOSIONS CAUSE BLACKOUTS IN CAPITAL, COUNTRYSIDE

PA121844 San Salvador Radio Cadena YSKL in Spanish 1610 GMT 12 Feb 85

[Telephone report by Raul Beltran Bonilla -- live]

[Text] For YSKL, here is the latest news. Military sources in San Salvador confirmed this morning that at least 15 explosions were heard on the outskirts of San Salvador [words indistinct] Department from 2100 yesterday until early this morning. According to reports from civilian sources and the power company in the capital, the prolonged blackout, affecting three-fourths of San Salvador, was caused by the destruction of at least eight high-tension pylons on the Northern Trunk Highway in the vicinity of km 11 and 16 near the El Guaycume village and bridge.

The destruction of the pylons also caused significant damage to the power service in the capital city. Emergency hot water plants have begun operating to supply part of the San Bartolo industrial area and areas adjacent to Army Boulevard.

Other official reports stated that at least 10 of the 14 Salvadoran departments were affected by similar operations carried out by FMLN sappers. The entire eastern area was affected by the destruction of 11 [word indistinct] in the vicinity of Verapaz and between San Vicente and Usulután Departments. La Unión, Morazan, San Miguel, and Usulután Departments have been without power since early this morning.

Our reports state that the San Miguel turboelectric energy plant has not yet begun operating; this has prolonged the blackout in the country's eastern area that began at 0700 today.

A similar fate hit San Vicente and Zacatecoluca Departments, which are without vital power service as a result of the destruction of the secondary pylon near Verapaz, San Vicente Department. Some areas of Cuscatlán Department are also without power, according to reports from the San Rafael Cedros substation.

Chalatenango Department and northern San Salvador are without power as a result of the destruction of pylons along the Northern Trunk Highway. According to reports, only Sonsonate, Ahuachapán, La Libertad, and Cabanas Departments and part of San Salvador Department have power.

Santa Ana Department's pylons were also hit by dynamite attacks. At 0400 today, rebel sappers also blew up primary pylons on the outskirts of Santa Ana, according to military and civilian reports from the country's second largest city.

Meanwhile, the Lempa River Hydroelectric Executive Commission-Electric Light Company of El Salvador workers are working intensively to restore the vital power service as soon as possible in different areas mentioned during this special report for the YSKL news center.

Traffic Jams in San Salvador

PA121545 San Salvador Radio Cadena YSKL in Spanish 1503 GMT 12 Feb 85

[Text] As you may have already heard, there were many explosions around dawn. We have reports on three of these explosions which occurred at km 11 of the Northern Trunk Highway. Three high-tension towers were downed in that area. All drivers traveling to Apopa and areas near the Northern Trunk Highway are urged to use caution.

In San Salvador, 60 percent of the capital has been without power as a result of these explosions which have also caused a power outage in the outskirts.

There is also a strong [words indistinct] on Army Boulevard, Venezuela Boulevard, and Alameda Juan Pablo II because the traffic lights are malfunctioning as a result of the power outage. We urge all drivers to be very cautious because there are traffic jams throughout the capital caused by malfunctioning traffic lights.

CEL Communique on Damaged Lines

PA121958 San Salvador Radio Cadena YSU in Spanish 1800 GMT 12 Feb 85

["Official" communique by the Lempa Hydroelectric Executive Commission, issued in San Salvador on 12 February]

[Text] The Lempa Hydroelectric Executive Commission, CEL, informs the public of the following with regard to interruptions in electrical services today:

1. The suspension of electrical services is the direct result of terrorist attacks on seven lines in the national transmission system: the 15 September-San Miguel line, the 15 September-San Rafael Cedros line, the Nejapa-Opico line, the Nejapa-Cerron Grande line, the San Rafael Cedros-Soyapango line, the Opico-Santa Ana line, and the San Rafael Cedros-San Vicente-Injiboa line. A total of 21 structures have been damaged on the 7 transmission lines.
2. The commission's work groups were mobilized and began initiating repairs as soon as the damaged structures were located.
3. The CEL emergency generating centrals, which function on diesel oil and bunker fuel, have been placed in operation so that they can supply part of the energy normally produced by the centrals which have been damaged.
4. The country's demand for energy is greater than CEL can generate at this time. Therefore, there will be periodic interruptions in electrical supply to the metropolitan areas of San Salvador and some areas of the interior.
5. We urge citizens to understand. Electricity will be restored when the damages caused by the terrorist attacks have been repaired.

[Signed] CEL Public Relations and Press Department

ARMY REINSTATES EL PAISNAL MUNICIPAL OFFICIALS

PA121842 San Salvador EL DIARIO DE HOY in Spanish 11 Feb 85 pp 10, 52

[Excerpt] At a ceremony held on Saturday at 0900, the Army reinstated the El Paisnal municipal officials. El Paisnal, located in San Salvador Department, has been repeatedly attacked by terrorist groups who have burned the municipal building and its records on five occasions since 1979.

The area residents visited the San Carlos Garrison as a group to ask for help in normalizing the situation. The San Carlos commander examined the situation and decided to conduct a civilian-military program in cooperation with local Commander Marcelino Solis Valle. As a first step an infantry company led by a captain was stationed in El Paisnal. The company was named the 1st Soriano Company of the 2d Antiterrorist Battalion in honor of a soldier slain defending the region.

The residents were happy to see the establishment of this group. The company was stationed there are their requests. On Saturday the company was sworn in before the San Carlos officials and military officers. The residents hung blue and white flags and said they would organize cooperation services with the Army.

FMLN-FDR'S UNGO ON 'IMPASSE' IN PEACE TALKS

PA122006 Madrid EFE in Spanish 1814 GMT 12 Feb 85

[Text] Mexico City, 12 Feb (EFE) -- Guillermo Manuel Ungo, leader of the Salvadoran guerrillas, said today that the impasse in the dialogue with the government resulted because the Army had "abandoned" President Jose Napoleon Duarte. President Duarte "cannot walk alone," Ungo told the influential Mexican newspaper EXCELSIOR, which published the interview today.

The president of the FMLN-FDR Political-Diplomatic Commission indicated that "the support of the Army and the Reagan administration" is indispensable in resuming the peace dialogue. "Duarte has been left alone but he will not be able to walk alone," Ungo stated.

The first meeting between the guerrillas and the government was held on 15 October in La Palma. They met again on 30 November in Ayagualo near San Salvador. Ungo insisted that Duarte had succumbed to the pressures of the military and right-wing sectors opposed to dialogue. However, "the dialogue is frozen...it is not dead," he noted.

FMLN HAILS SUCCESS OF POWER LINE SABOTAGE

PA130330 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Feb 85

[Text] Radio Venceremos, the official guerrilla, worker, and peasant voice, begins its broadcast of military information by sending greetings to the FMLN joint forces that participated in the most important sabotage operation against the power industry during this war. It has been an important sabotage operation against Duarte's war economy. Many high-voltage towers were destroyed, leaving 10 Salvadoran departments and a large area of the capital city without electricity. This important sabotage operation has been a strong blow to the war economy of the repressive regime. Heavy economic losses were inflicted on the regime, millions of dollars were lost that it will not be able to use to maintain its genocidal squads or buy bombs and machine guns to be used against our people. Following is more information regarding this important sabotage operation:

In the past few hours, joint forces of the FMLN destroyed several high-voltage towers in several areas of the country. Seven lines of the national power supply system were destroyed. The sabotage was a joint operation of FMLN units against the main power lines of the 15 September Dam, the power lines between 15 September Dam and San Rafael Cedros, between Nejapa and Opico, between Najapa and Cerron Grande, between San Rafael Cedros and Soyapango, between Opico, and Santa Ana, and between San Rafael Cedros, San Vicente, and Insiboa.

The spokesmen of the dictatorship have said that the losses are heavy, that the severest sabotage actions against the electrical units carried out by the joint forces of the FMLN throughout the country have caused heavy losses.

Radio Venceremos will be reporting on this large-scale FMLN joint operation throughout the country. This operation left 10 Salvadoran departments without electricity as well as a large sector of the capital city. Reports are beginning to arrive at Radio Venceremos from various areas of the country regarding this joint FMLN operation.

We have learned that at 2000 on 11 February a Rafael Arce Zablah Brigade guerrilla unit of the FMLN and forces of the southeastern front of the Commander Gonzalo group destroyed a high-voltage tower in (Llano de Itamate) canton between Jucuapa and El Triunfo. At 2200 FMLN guerrilla units destroyed high-voltage towers between Jucuapa and Chinameca.

We continue to receive reports on the sabotage activities against Duarte's war economy. On 11 February a guerrilla unit of the Aguinada Carranza Battalion and the [word indistinct] Campos column simultaneously sabotaged five power lines, leaving a large sector of San Salvador without electricity. They also destroyed power lines between Nejapa and San Salvador, between 5 November Dam, San Salvador, Chalatenango, San Martin, and Guayabal.

We have also learned that FMLN joint forces destroyed high-voltage towers on the Northern Trunk Highway. We have also learned that in the outskirts of the capital city, there have been sabotage actions carried out by FMLN joint forces. We are waiting for specific reports of other actions carried out in various areas of the country. This has become the most important sabotage action against the power system carried out since the war began. This sabotage operation against the oppressive regime's war economy was carried out within the framework of permanent sabotage against the war economy and the destabilization of the regime. This was a demonstration of the ability and level of coordination of the forces of the FMLN. It is a clear demonstration of our ability and the level of our coordination.

At this moment, we are receiving more information regarding the operation carried out at the national level by FMLN joint forces in the past few hours. The report states that high-voltage towers were destroyed on the Northern Trunk Highway, on km 11 and km 16, near the [word indistinct] Guaycume hamlet. Another report states that FMLN units destroyed power lines in Verapaz. Another report states that following this national sabotage action, the eastern sector of the country was without electricity. At the moment the report was issued, the eastern sector of the country was without electricity because the San Miguel power plant was not operating.

Attention, from Santa Ana, from the western area, we have learned that FMLN guerrilla units in Santa Ana Department destroyed high-voltage towers, leaving a large area of western El Salvador without electricity; 10 departments have been affected by this sabotage activity against Duarte's war economy.

GUATEMALAPNR CONFIRMS PARTY ALLIANCES AT CONVENTION

PA121637 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 11 Feb 85

[Excerpt] The National Renovating Party [PNR] yesterday ratified its alliance with the Union of the Democratic Center and the Revolutionary Party. The announcement was made during the PNR convention in Guatemala City yesterday. The PNR also confirmed that Alejandro Maldonado Aguirre will be the vice presidential candidate on the ticket with presidential candidate Jorge Carpio Nicolle. In recent weeks, some PNR leaders called for reconsideration of this alliance, but the majority of the rank and file did not support this motion, as was reported by this radio station last Friday night.

URNG OUTLINES GOALS IN 5-POINT PROGRAM

PA121722 Guatemala City EL GRAFICO in Spanish 9 Feb 85 p 4

[Text] The guerrilla organization URNG has reported that this organization began its activities 3 years ago on 7 February. In a telex to our editorial office, the URNG states that this rebel organization is composed of the Poor People's Guerrilla Army, the Rebel Armed Forces, the Revolutionary Organization of the People in Arms, and the Guatemalan Labor Party. The URNG report notes that this organization plans to implement a 5-point program:

1. To end the repression against the people and to guarantee life and peace.
2. To establish the basis for satisfying the basic needs of the majority.
3. To guarantee equality between Indians and mestizos, thus ending cultural oppression and discrimination.
4. To guarantee the creation of a government where all sectors of the country will be represented.
5. To guarantee the policy of nonalignment and self-determination.

NICARAGUAMINISTRY URGES PARTICIPATION IN CONTADORA MEETING

PA122000 Managua Radio Sandino in Spanish 1830 GMT 12 Feb 85

[Communique issued by the Foreign Ministry in Managua on 12 February]

[Text] The Nicaraguan Foreign Ministry informs the Nicaraguan people and the people of the world the following: On 9 January, the Contadora Group countries convoked the five Central American countries to a meeting in Panama City on 14 and 15 February of this year. Nicaragua repeats that it will be present at that meeting and urges the other Central American governments to confirm their participation in that meeting in order to move ahead in the search for peace, which our people desire so much.

GOVERNMENT DEVALUES CURRENCY BY 200 PERCENT

PA122258 Paris AFP in Spanish 2056 GMT 12 Feb 85

[Text] Managua, 12 Feb (AFP) -- The Nicaraguan Government today officially devalued the cordoba by almost 200 percent. This devaluation will bring about a general increase in the price of basic goods and services in the next few weeks.

Central Bank President Joaquin Cuadra has announced that the official exchange rate was shifted from 10 to 28 cordobas to the dollar, although the exchange rate will be 20 cordobas to the dollar for essential consumption goods, raw materials, and spare parts.

In addition, the exchange rate for the import of capital goods will be 40 cordobas to the dollar, while the exchange rate for both visible and invisible imports will be negotiated at 28, 40, and 50 cordobas to the dollar.

Cuadra stressed that a free exchange market will open in the next few weeks and that this market will be controlled by the law of supply and demand. According to official estimates, dollars currently sell for more than 500 cordobas on the black market.

These exchange measures form part of the Sandinist government's economic plan. The government now faces its biggest crisis since the revolution triumphed in 1979. Adjustments to the economy include taxes on value and capital, readjustments of tariffs, as well as an increase in interest rates in order to stimulate saving. The measures also eliminate subsidies on food and services, including transportation and fuel, the price of which may be increased by more than 100 percent.

At the same time the government plans to alleviate the increased cost of living through periodic readjustments of salaries and the establishment of popular shops. With all these measures, the Sandinists are trying to make the economy less subject to monetary values and foster the production of consumption goods and the export of agricultural products.

Cuadra acknowledged that the measures will penalize all Nicaraguans, but asserted that those enjoying the greatest economic power will be the most affected.

In addition, Cuadra forecast that inflation will reach between 40 to 60 percent in 1985, while he appeared skeptical about the goal of 2 percent economic growth, as proposed in the official economic plan. Cuadra said: "In the situation that we live in, it is best to be skeptical regarding economic growth."

Later, Cuadra denied that the application of corrective measures to the economy has some relationship to an eventual agreement with the IMF. He said: "It would be unwise to sign an agreement with the IMF under the current war circumstances." He indicated, however, that such an agreement would not pose any problem "if the situation were normal."

Explaining the country's situation, Cuadra observed that the Central Bank's exchange reserve is "practically nil, strange as this may seem."

These announcements, made only 1 month after Commander Daniel Ortega assumed office as president, cause concern, particularly among small-, medium-, and large-scale businessmen. Unofficially it has been estimated that one out of every four economically active Nicaraguans is engaged in commercial activities.

During a speech delivered last week, Ortega accused "speculating businessmen of stealing billions of cordobas from the people" and profiting from the official subsidies for staples. Ortega announced that a heavy hand would be raised against the economy's informal sector that, according to the Central Bank, owns "a huge" mass of currency that has seriously disrupted the market.

The Sandinists hope that the new economic program will lead to an increase of exports, which did not even reach \$400 million last year. Nicaragua owes about \$872 million in accrued interests alone.

NEW FISCAL MEASURES, EXCHANGE RATES ANNOUNCED

PA101336 Managua Domestic Service in Spanish 1816 GMT 8 Feb 85

[Statements by Finance Minister William Hopper and Central Bank President Joaquin Cuadra; place not given -- live, monitored in progress]

[Excerpts] Therefore, since it is necessary to make the economy the rearguard of military defense, it is indispensable to carry out a reorganization so that we can strengthen the economy, increase production, and ensure our revolution's military and economic defense.

In this case, eight [as heard] sectors have been defined as priority areas. The first is unlimited and absolute support to the military. Second is fundamental support to the health sector. Third is support to the production that takes place through businessmen. Fourth is increasing the income of workers and peasants, who are the mainstay of our wealth. And fourth [as heard] is augmenting production.

To achieve this, we have drafted a number of measures aimed at increasing supply and reducing demand, that is to say, guaranteeing the availability of more goods in our country and at the same time reducing the purchasing power of various sectors of our economy.

The measures to increase supply deal mainly with incentives for production and, fundamentally, for the production of farm products for export. For this purpose, a set of measures will be enacted, such as fixing new prices for these products, guaranteeing an adequate profit margin for production activities, speeding up foreign exchange allocations in order to guarantee the supply of production elements, machinery, and spare parts required for this type of production, and establishing a number of incentives to increase yield and productivity. Also included in these measures is the new wage scale, which is aimed at promoting the recovery of productivity, which has been lost in this country.

Another measure aimed at increasing supply is the one concerning the allocation of foreign exchange within the 1985 program. In previous years, because of the shortage of some staples such as corn and beans, we had been granting foreign exchange through the Interior Trade Ministry to import these grains. During 1985 we will be allocating foreign exchange to expand cultivated areas and production.

At this point we must place special emphasis on the overall plan being implemented by the Ministry of Agricultural Development known as dry-season planting through irrigation. There is also a policy on the allocation of foreign exchange aimed at guaranteeing the supply of production elements required by our peasant population.

In general terms, what we are proposing is an increase in the production of exports as a means of obtaining more foreign currency and in an effort to achieve Nicaragua's self-sufficiency. Both measures are aimed at building a stronger economy that will enable us to guarantee the military defense of the revolution and [passage indistinct].

(?Since) Our purchasing power surpasses market supply, we need to readjust; not only readjust but (?redistribute) to the strategic and essential sectors of revolution.

[Words indistinct] in the first place we are (?speaking) of the necessary elimination of subsidies. Since the subsidies were established they have functioned as a policy permitting the redistribution of the national income, which is all that is produced in Nicaragua, for the benefit of the population receiving lower wages. You must recall that the subsidies were established in 1980, 1981, and 1982. However, after a certain moment when purchasing power surpassed the market supply, the subsidies enabled unscrupulous merchants to get rich and to accumulate riches with the salaries of our people. Thus we must reduce the subsidies because at the same time this will permit us to increase prices to guarantee that products will reach the workers at the prices we have set so there will not be a gap between the price we establish and the market price. This gap is what permits speculation and merchants' obtaining the biggest share.

A second aspect with regard to the reduction or curbing of state expenditures deals with restraining investments, especially to prevent their contributing to increased demand. In terms of public expenditures, for 1985 the policy is centered on unlimited support for the revolution's military defense, the growth of the health sector, the freeze of education, and the reduction of some programs of the civilian sector of public expenses.

Finally, in order to reduce the pressure of the demand, we must also review the exchange rate system that exists in our economy. Under this current system for example, our government buys \$1 for approximately 18 cordobas and usually sells \$1 for 12 cordobas. In other words, it buys the dollar a higher price than it sells it for. Therefore, the Central Bank suffers a loss in such an operation. This is a special loss for the importing sector of the economy. It is a loss for the producers. It is an exchange loss that affects production and imports because as a result of this system, it is sometimes cheaper to import than to domestically produce the products. Therefore, we need an overall review of this problem to (?reduce) the demand on our economy.

[Cuadra] Obviously, since the financial imbalances are one of the most important issues to be tackled in this package of economic measures, the revolutionary government has adopted specific measures dealing with exchange, monetary, and credit policies.

With regard to the exchange policy, the main objective of this set of measures is to establish an exchange rate for exports and imports that will be more in line with the price levels of this market. This objective, which will be achieved through concrete measures, to be announced, entails an implicit [word indistinct], an implicit objective which is that of detaching the exchange policy from other tax collection functions of the past, and also eliminating, to the extent possible, the exchange losses which were throwing our economy off balance and [word indistinct] from it a volume of currency that did not correspond to tangible, actual production.

The exchange policy contemplates the following measures, which are attained through the following rules

In addition to reducing the number of implicit exchange rates existing previously, we are establishing, as a basic incentive for the country's export production, a higher exchange rate for (?visible) exports of 28 to 1. This provides, at the time of establishing the policy on guaranteed prices, a wider base for fixing them. However, it is worth noting that the rate of 28 to 1 for the liquidation of foreign exchange from so-called visible exports will have to impact on the guaranteed prices for producers of those export products. This will have no negative effect because the guaranteed price will be established by the Ministry of Agricultural and Livestock Development and Agrarian Reform. This price will be set up outside of the international market price.

In addition, the revenue from the so-called invisible exports will be liquidated under three different exchange rates, depending on the type of revenue in each case. In connection with this, we have drafted a table that will form part of this year's exchange standard. This table will be published and distributed later. I can announce, however, that the exchange rates to be used for so-called invisible exports will be 28, 2.40, and 2.50 cordobas for every dollar. [figures as heard]

In addition, in order to reflect the export prices more realistically, it has been determined that the exchange rates for the import of goods will be fixed accordingly: exports of nonessential goods, raw materials, and spares will subject to a 20 to 1 exchange rate; nonessential consumable goods, 28 to 1; capital goods, 40 to 1.

The sale of exchange for so-called invisible imports will be made at 10 to 1, 28 to 1, 40 to 1, and 50 to 1, according to a listing that also forms part of the exchange standards we have mentioned before. The 10 to 1 exchange rate will be applied exclusively to foreign obligations already contracted for and discharged as of this date. For future obligations, the exchange rate that corresponds to the imported good or service as related to those foreign obligations will be used.

These new measures also tend to greatly strengthen [words indistinct] confidence in the nationalized banking system. In addition, strict administrative measures will be established to ensure improvement of bank services to the general public, enterprises, and credit users. The following interest structure for loans during 1985 has been established:

Agricultural, livestock, industrial, and industrial-agricultural: increased two points; exports for products in the above sectors; increased two points; small-scale production: interest rate increased by an amount far lower than that of inflation and the benefits that production can attain due to exchange measures and guaranteed prices increased by those exchange measures to liquidate export products.

In addition, interest rates on savings have been increased for the benefit of depositors. This policy will be maintained through the savings campaign initiated by the banking system last year. Interest rates on deposits have been raised as follows:

Interest rates for 3-month deposits not part of the raffle system [sujeitos al sistema de rifa] have been increased from 8 to 15 percent, while those in the raffle system will have their interest rates increased from 9 to 13 percent. For 6-month deposits, rates will be increased from 11 to 18 percent for those not in the raffle system and from 9 to 16 percent for those in the raffle system. For 3-year deposits not in the raffle system rates have gone from 15 to 26 percent, and from 12 to 24 percent for those in the raffle system. For those deposits of 4 years or more, rates reach 25 percent for those in the raffle system and 27 percent for those not in the raffle system.

Furthermore, regarding credit policy we foresee, if the war continues to pressure our economy, a reduction in the support for production in the economic program in accordance with our limited foreign resources. Through a more specific and organized administration, financing percentages, and banking administration measures regarding production credit, and through public expenses regarding the central government financing, the fiscal deficit and [words indistinct] tend to be reduced. Regarding production credit, the following highest financing percentages have been established: agricultural and livestock [words indistinct] 80 percent of our requirements; for industrial activity the percentage will be established according to the state's interest in fostering specific activities. Small agricultural enterprises will receive financing for 80 percent of their requirements; housing projects, for houses handled by the Ministry of Housing and Human Services will receive 100 percent financing while houses handled by the real estate bank will receive 80 percent financing. It must be stressed that a reduction was effected in some percentages; for instance, those that were financed 100 percent last year, namely, the agricultural and livestock activity in state-owned property. This decrease, in addition to responding to a logical financial restructuring within generally accepted standards in all of the world's financial centers, does not represent a true hardening of the credit policy toward producers. [Words indistinct] If we take into consideration the changes accepted in exchange rates and what has already been said about interest rates, practically subsidized because they are at a level lower than that of inflation, the credit measures should surely represent an effective incentive for producers. In order to better understand this problem, let us consider this: financing for the 1985-86 period represents a 54-percent growth rate as related to the 1984-85 period. This reflects a net flow of approximately 27 billion cordobas (?into) our national economy.

During a press conference to be held by the Central Bank on Monday at 1000 local time, more specific information will be given on the application of the various exchange, monetary, and credit policies. We will be there and will be willing to answer all questions presented by the press and interested sectors regarding these policies.

TIRADO LOPEZ ON PROFESSIONALS' ECONOMIC ROLE

PAL11706 Managua Radio Sandino Network in Spanish 1200 GMT 11 Feb 85

[Text] Victor Tirado Lopez, commander of the revolution and a member of the FSLN National Directorate, inaugurated the Second Congress of the Heroes and Martyrs Confederation of Nicaraguan Professional Associations, Conapro, at the Cesar Augusto Silva Convention Center yesterday. At this event, Tirado Lopez said that the measures recently adopted by the government are not aimed at eliminating the economic crisis but at mitigating it. For this reason, the government has shown determination in increasing salaries, providing incentives to producers with new prices, and fighting speculation.

Before 375 members of the 20 associations that make up Conapro, the revolutionary leader said that because of its preparation, the professional sector must assume the vanguard of the struggle for Nicaragua's survival, regardless of whether these professionals are leaders of private or state sector enterprises.

[Begin recording] We will continue to have supply and inflation problems. We will continue to discuss salary policy problems. The housing problems will continue. The transportation problems, not only those of transporting workers to their factories but also the need for more vehicles to carry the coffee or corn harvests, will remain. We must make great efforts to keep health and education in line with our goals. If possible, we will try to eliminate certain epidemics. This is a very adverse situation that must be faced because the war is hurting the country's life. Perhaps some problems will be resolved; others will be resolved in part, but still others will not be resolved in this war.

Our great victory at this time will be in stopping difficulties from further deteriorating and seeing that some of them even decrease. We hope that our people will not have to suffer many limitations. However, everything depends on cohesion and unity, and the strength of this cohesion and unity. It depends on the professionals, those who belong to this organization.

The day we eliminate aggressions, that we truly live in tranquillity and have peace, we will be able to say that we can move on to a higher economic phase. Then we will move on to a higher phase in our society. To reach this goal and to carry out this strategy, which goes from eliminating aggression to rebuilding and improving our economy, is basically the concern of a very important sector of our society: the workers, peasants, and agricultural workers. However, we can't forget the professionals and the technicians, those who make up this association, in the attainment of this goal. [end recording]

The private sector plays an important role in the struggle to pull Nicaragua from backwardness and dependency. These sectors, as well as the state, would also be affected by any imperialist aggression.

[Begin recording] There is a mixed economy in our country. Certain leaders and political personalities have asked about the meaning of a mixed economy. Yet they have not tried to interpret it. Consequently, we are going to establish what this means. A mixed economy is one in which the state assumes a leading role because free enterprise and the private sector in themselves do not guarantee the people's welfare. They must be under the control of the state. Nicaragua has already experienced the free enterprise system. It brought us backwardness, misery, dependency, and a dictatorship. [end recording]

During his speech, the FSLN leader accused the White House of being the center of the international terroristic theory and of promoting the failure of the peaceful Contadora Group's efforts. He also recalled that the Reagan administration had ignored the jurisdiction of The Hague international court and unilaterally suspended the Manzanillo talks with Nicaragua.

H. ORTEGA URGES INCREASED MILITARY PREPAREDNESS

PA121423 Managua Radio Sandino Network in Spanish 1215 GMT 12 Feb 85

[Text] Humberto Ortega Saavedra, commander in chief of the Sandinist People's Army, defense minister, and commander of the revolution, has reiterated the need to increase the military preparedness of the Nicaraguan people to continue succeeding in the war against the CIA mercenaries and to be ready to defeat a possible U.S. direct intervention in our country.

Humberto Ortega, who is also a member of the FSLN National Directorate and national chief of the Sandinist People's Militia [MPS], indicated that with the strengthening of the country's military structures, the people will deal an overwhelming blow to the counterrevolutionary forces in the coming weeks and months. He noted that to increase the military preparedness of the people organized in the MPS, the government will reactivate weekend military training to better prepare militiamen. The militiamen will be called to field training courses lasting 15, 30, or even 40 days.

Ortega said that all of the state agencies and mass organizations, particularly the Sandinist Defense Committees, must strengthen civil defense as a permanent, not a temporary task. All the people must be fully involved in civil defense practices and be organized for the country's military defense, Ortega Saavedra stressed.

On 26 February, when the MPS commemorates its fifth anniversary, the people of Managua will stage a march to protest the imperialist maneuvers. Ortega Saavedra announced that on 26 February the armed masses of Managua will reaffirm their conviction that we are defeating the enemy with our faith in victory. He added: We will overcome all possible imperialist threats and pressures against our Sandinist revolutionary process.

Ortega concluded by stating that the Nicaraguan people are not afraid. He said: Our knees are not shaking; we stand firm in the face of the enemy.

Commander Ortega announced that youths who will become 17 and 18 years old in 1985 must register for the active Patriotic Military Service, SMP, in March. These youths, Ortega Saavedra remarked, will serve in the SMP until 1986. Their immediate registration is being carried out so that information on those who will be recruited for the service will be readily available. He added that a second registration period will be held in mid-1985 and will include citizens from 25 to 30 years of age who will work in the reserve military service in order to strengthen the Reserve Infantry Battalions. Humberto Ortega said that this means that all reservists have that status by law. He stressed that in view of any increase in U.S. aggression against our fatherland, the SMP reserves will be activated.

H. ORTEGA ON STATUS OF WAR AGAINST MERCENARIES

PA121711 Managua Radio Sandino Network in Spanish 1220 GMT 12 Feb 85

[Text] The war that the Nicaraguan people are waging against the mercenary forces financed by the Reagan administration is at a victorious stage. This announcement was made by Commander of the Revolution Humberto Ortega Saavedra, commander in chief of the Sandinist People's Army [EPS]. In an appearance before the cabinet aired on television last night, Defense Minister Humberto Ortega Saavedra reported on the current status of the war which the Nicaraguan people are waging against the mercenaries promoted and financed by the current U.S. Administration.

[Begin recording] The war is at a victorious and positive stage for the Sandinist people's revolution over imperialist plans. The people's war has been advancing not only through the blows dealt to the various imperialist plans carried out by imperialism's mercenary forces in the past few months, but also through the organization of the people for defense. This defense has been progressing formidably. It is being enacted in a disciplined manner through various revolution-promoted preparations to ready the country for war.

The mercenary forces that imperialism is using in its interventionist war in the country's north and south were affected seriously in 1984. They were exhausted by the active responses of our armed forces. Since the mercenaries have not found sufficient, widespread support to increase their numbers, they are now suffering the effects of moral decomposition. They cannot guarantee large growth that will allow them to engage in a forceful, active fight endangering the revolution for a prolonged period.

Considering this situation and the increasing drop in the capacity to increase its mercenary forces and deal significant military blows, imperialism recently has developed various alternatives to the general interventionist plans of the past few years. The mercenary forces are under constant pressure from the EPS regular service troops, the reservists, and the militiamen, as well as from members of special Interior Ministry units which cooperate with EPS plans. If, as we guarantee, this situation continues in the next few months, the mercenary forces, that instrument which until now the U.S. has been using predominantly, will be led to a frank, defensive stage in a very short time.

For this reason, the revolution gives considerable attention to all of the military maneuvers that are being carried out in by the Americans in Honduras and in the region. The Americans have realized that the future is uncertain for the independent growth of a strategically decisive force by either of its mercenary tools, the Nicaraguan Democratic Force or the Democratic Revolutionary Alliance. [end recording]

Humberto Ortega, who is also national chief of the Sandinist People's Militia, explained the real danger of an eventual U.S. intervention when the people, engaged in various military organizations, have forced the mercenary groups operating from Honduran and Costa Rican territories into a downward trend toward defeat.

[Begin recording] The real danger is if the political and diplomatic framework for negotiation promoted by the revolution is not found [words indistinct] imperialism, with its stricken forces, forced to adopt a defensive position and strategically placed on the verge of defeat, will feel prompted to begin other adventures.

A contradiction exists in this regard. To the extent that we gradually defeat the mercenary forces, although it means that we are drawing closer to a triumph and to recovering lost tranquillity, we must find a political and diplomatic framework for negotiation. The danger of direct intervention against our country, whether with U.S. forces or the reactionary armies willing to participate in that adventure as a first step, would be closer.

Consequently, in view of the mercenary war and the possibility of eventual U.S. intervention in our country, we can only count on the increasing and most complete readiness of our people in arms to win and to continue winning the current war against the mercenaries. We must be ready to repel a direct intervention if at that moment, when we are strategically defeating the counterrevolution, the United States refuses to negotiate and dares to intervene in our country. This is the most dangerous aspect that a victory over the mercenaries would represent for Nicaragua. This is a reality that we must explain to our people; we must prepare ourselves to face such a situation with conviction and certainty. [end recording]

Commander Ortega stated that all of the people must be ready for battle, and use all material and human possibilities to win the struggle against the enemies of the Sandinist people's revolution.

[Begin recording] Our people must be ready for battle and use all of the material and human possibilities to win this war. Can the revolution continue to balance alleged normalcy in certain parts of the country with a cruel and real war that is causing deaths, suffering, and distortions in the country's economic life and in other areas? Can the people, the government, and the revolution balance a war in one area and normalcy in another? These are questions that our people must answer wisely as aggression increases. We believe that if Mr Reagan's policy remains unchanged, our entire country will inevitably and equally suffer in this war situation. It is a war that is basically affecting the sectors directly hit by this mercenary imperialist aggression. [end recording]

FIRST BATCH OF CUBANS RETURNING FROM U.S.

PA092006 Havana International Service in Spanish 0000 GMT 8 Feb 85

[Text] Execution of the immigration agreements signed last December by Cuba and the United States will begin during the last week of this month, February, when the first group of Cubans that the U.S. Government considers ineligible will be sent to Havana. Execution of the bilateral agreements reached by the Cuban and U.S. Governments will consist, at this initial stage, of two flights in the last week of February. Some 50 Cubans who are included in the ineligible category will be flown to Cuba. The total number of these Cubans is 2,746.

According to the agreements, 100 persons will be returned each month, but if this many people are not sent back in any given month, the remainder could be sent in subsequent months, as long as the number never exceeds 150.

The part of the agreement referring to the departure of immigrants from Cuba to the United States will be executed at a later, undetermined date.

'OUR AMERICA' COMMENTS ON DRAFT U.S. BUDGET

PA120215 Havana International Service in Spanish 0000 GMT 10 Feb 85

["Our America" commentary]

[Text] This week, U.S. President Ronald Reagan submitted to Congress his draft budget for 1986. As has already been announced, Reagan's proposal calls for drastic reductions in the government's subsidies for U.S. social construction and education programs, while calling for a marked increase in the military budget. The U.S. executive branch's proposal fuels the threat of a military confrontation at a time when the progressive international community watches the Soviet-American talks in Geneva with hope.

According to the U.S. President, in order for these negotiations to succeed, Washington must achieve parity with the military superiority that the Soviet Union allegedly maintains over the United States. This is the pretext for the huge increase in the military budget requested by President Reagan, but the truth is that Washington has not abandoned its idea of preserving tensions in the major regional areas where military confrontations are taking place, as is the case with Central America. The White House's much-commented-on intention to create an alleged climate of international detente, while at the same time maintaining and if possible, stepping up the regional conflicts on behalf of the hegemonic interests of the United States, is acquiring increasing credibility.

According to the Western media, the idea of creating an alleged climate of international detente seeks to allay the protests gradually elicited by the aggressive U.S. policy among the governments of Western Europe, which is regarded as the focus of the so-called limited nuclear war advocated by certain U.S. Pentagon circles.

As for the hardening U.S. stance on the regional conflicts, the above-mentioned media sources claim that in this manner the White House is seeking to show that although it is negotiating with the Soviet Union, it is maintaining a firm and determined political line. This is the case with Central America, where the United States has boycotted and canceled all the paths leading to negotiations with Nicaragua, is rearming the Honduran Army, and is substantially increasing its military aid to the Salvadoran regime.

The military aid that the United States is planning to give to its allies in the area, which is included in the budget that Reagan presented to Congress this week, confirms that Washington has not discarded its warmongering adventures in Central America. Washington plans to deliver \$483 million to the Salvadoran authorities destined, it has been specifically stressed, to fight the FMLN's guerrilla forces.

For its part, Honduras will receive \$232 million. This money will be added to the sum already allocated by the Pentagon to reinforce the Salvadoran Armed Forces in order to, as the United States hypocritically describes it, counteract the Nicaraguan Army's increasing power.

Guatemala has not been excluded from the distribution of dollars. Oscar Humberto Mejia Victores' regime will obtain \$36 million from its U.S. associates. The sum is small if compared to that which will be delivered to the authorities of the above-mentioned countries. However, this sum represents a marked increase if compared to last year's allocation, when Guatemala received only \$300,000 from the United States. It is worth recalling that during this period Washington has been sponsoring military aid to Guatemala through third countries, like Israel.

All of the above confirms that the United States will continue to finance the war in Central America and to support the most reactionary regional regimes, just as it supports the racists in South Africa and the Zionist State of Israel.

URUGUAY'S SANGUINETTI ON REESTABLISHING RELATIONS

FL122216 Havana Domestic Service in Spanish 1953 GMT 12 Feb 85

[Excerpt] Uruguayan President-elect Julio Maria Sanguinetti has said Uruguay will soon reestablish relations with Cuba. In statements to the Venezuelan newspaper EL NACIONAL, Sanguinetti said he will support completely the Contadora Group's efforts to find a peaceful solution to Central America's conflicts.

SOVIET TRADE TO EXCEED 8 BILLION RUBLES

FL120300 Havana Domestic Service in Spanish 0000 GMT 12 Feb 85

[Text] Trade between Cuba and the Soviet Union will exceed 8 billion rubles this year, and there will be more than 20 million tons of goods arriving in Cuban ports from the USSR. This means that there will be a daily average of 55,000 tons of goods arriving in Cuba from the Soviet Union. This was reported at a press conference by Cuba's Deputy Foreign Trade Minister German Amado-Blanco who met with reporters because of the forthcoming 25th anniversary of the beginning of economic relations between Cuba and the Soviet Union on 13 February.

BANKING OFFICIAL PRAISES SOVIET ASSISTANCE

FL112120 Havana Domestic Service in Spanish 1905 GMT 11 Feb 85

[Text] Banking advice by Soviet specialists has permitted the National Bank of Cuba [BNC] notable advances and is an example of internationalist cooperation. This statement was made by Osvaldo Funetes, BNC vice president when commenting on the forthcoming 25th anniversary of Cuban-Soviet cooperation, which will shortly be commemorated.

The chief of the Soviet advisers for the USSR Bank for Financing Construction, doctoral candidate (Leonid Masurin), underscored the work done in Cuba by 13 experts from this institution both at the [word indistinct] and provincial levels.

Economist (Vladimir Sterman), chief expert from the USSR state bank, expressed his satisfaction on the advances made in the Cuban banking system.

JESUS MONTANE, DELEGATION TRAVEL TO PORTUGAL

FL121620 Havana Domestic Service in Spanish 1100 GMT 12 Feb 85

[Text] Jesus Montane, alternate Politburo member, has arrived in Lisbon heading a delegation. He was invited by the Portuguese Communist Party [PCP]. Upon his arrival in Lisbon, Montane said he would discuss international matters with the Portuguese Communist Party as well as matters concerning the PCP and the Communist Party of Cuba.

FLAVIO BRAVO MEETS WITH COSTA RICAN LEGISLATORS

FL120310 Havana Domestic Service in Spanish 0000 GMT 12 Feb 85

[Text] Flavio Bravo, president of the National Assembly of the People's Government [ANPP], today held official talks with a delegation from Costa Rica's Legislative Assembly, headed by its first secretary Guillermo Vargas Sarabia.

The visitors were interested in how the ANPP functioned and the development of tourism and culture.

GARCIA FRIAS VISITS VILLA CLARA FACTORIES

FL052212 Havana Domestic Service in Spanish 1919 GMT 5 Feb 85

[Text] Commander of the Revolution Guillermo Garcia Frias, member of the Politburo and minister of transportation, has visited the cement railroad tie and elastic fastener factory in Santa Clara. In this industry, more than 6 million pesos worth of output will be produced this year. Garcia Frias also visited railroad shops in Sagua la Grande, where they make gondola cars to transport citrus fruit.

'OUR AMERICA' SAYS JAMAICAN SITUATION CHAOTIC

PA120202 Havana International Service in Spanish 0000 GMT 11 Feb 85

["Our America" commentary]

[Text] Singled out in 1981 by U.S. President Ronald Reagan as an example of capitalist development in the English-speaking Antilles, Jamaica today is facing its worst economic crisis in the past 50 years. This situation has generated a growing wave of protests among the most diverse sectors of the population.

Totally surrendered to the IMF and the World Bank by the government led by Prime Minister Edward Seaga, the Caribbean island is suffering from an untenable currency devaluation, rigid control of its financial mechanisms, and an absolute collapse of basic services and production, such as public health, education, electricity, and potable water.

The situation is so chaotic that even business sectors which supported Seaga's rise to power and stigmatized Michael Manley's progressive government, today publicly demonstrate their discontent and do not mince words when describing the country's situation. After several devaluations, the Jamaican dollar currently is valued at 5 per U.S. dollar. In 1983 it was less than 2 per U.S. dollar.

Meanwhile, the price of basic products has risen continuously, along with the national currency's devaluation, increasing inflation to 35 percent last year, while salaries rose by barely 15 percent. To accept a request from the Seaga government for a \$143-million loan, the IMF demanded the implementation of large cuts in public spending, particularly in funds allotted to education, health, and other sectors. The readjustment caused many workers to lose their jobs. This increased the unemployment rate, which is very conservatively fixed at a minimum of 20 percent of the active work force without including the hundreds of thousands of persons employed on a part-time basis.

In yielding to the demands of its U.S. creditors, the government thought it would to a great extent resolve its desperate situation, but it only created internal malaise and received Washington's promise to reprogram the Jamaican foreign debt, which is more than \$3.5 billion. This economic downfall seriously affects that country's two basic sources of foreign exchange: sugar and bauxite, which have suffered considerable declines in production in the past few months. Since January, Jamaica has produced less than 2,000 tons of sugar, as opposed to 17,000 tons in a comparable period last year. Added to this is the fact that during the days of protests in Jamaica over the severe economic measures imposed by the government, many sugarcane plantation fires were reported. Repressive forces now systematically patrol these plantations.

The Panamanian newspaper LA PRENSA recently reported that after replacing Michael Manley, Edward Seaga made statements on free enterprise and foreign investments that proposed very effective solutions. Today, the newspaper adds, the immediate problem for Jamaican authorities is how to control social discontent. Unfortunately for Seaga and his supporters, within the country and abroad, it is impossible to prevent history's wheel from turning.

1985 GEOLOGICAL SURVEY PLAN MAKES PROPOSALS

FL081844 Havana Domestic Service in Spanish 1800 GMT 8 Feb 85

[Text] In salute to the third party congress, the workers of the Ministry of Mines and Geology have pledged to complete a work plan that includes prospecting activities in 30 percent of the land area of the country in 1985. This will increase the amount mined of nickel, chrome, manganese, polymetals, and construction materials for the development of mining and industry in different regions.

A geological survey serves to orient prospecting activities, exploration, and measurement of deposits. To overcome past delays and bring the work up to date, it will be necessary to study 6,400 square kilometers of our land. To comply with the plan, the geologists have proposed concrete measures including the introduction of a new shift work schedule, the concentration of resources by geological objectives in accordance with established priorities, the introduction of computers, and greater conservation of fuels and lubricants.

NATIONWIDE STRIKE PEACEFUL; JORGE ADDRESSES NATION

Public Transportation Affected

PA112319 Madrid EFE in Spanish 2142 GMT 11 Feb 85

[Text] Santo Domingo, 11 Feb (EFE) -- Thus far the general strike to protest the high cost of living that is in progress in the Dominican Republic today has been peaceful. In Santo Domingo and the country's other cities, except in the northeastern city of Salcedo, where several homemade bombs went off without causing injuries, the day has unfolded normally.

All small businesses are closed, but supermarkets, banks, and public and private offices have remained opened although under military protection. Traffic was normal into midday for privately owned vehicles, while public transportation has been conspicuously absent.

A large crowd headed by leaders and members of the ruling Dominican Revolutionary Party (PRD) gathered on the lawn of the National Palace to show their support for President Salvador Jorge Blanco, who went down to the gardens with his wife and accompanied the demonstrators to the central party headquarters. The demonstrators held picket signs with slogans, favorable to the president and in opposition to the strike, which is the culmination of a series of staggered strikes that have been staged throughout the country during the past 15 days.

In Santo Domingo, EFE was told that a bank received an anonymous phone call warning it to shut down or a bomb would be hurled against it. Tires have also been deflated throughout the capital, affecting private vehicles and buses of the National Office of Land Transportation, which together with the National Union of Independent Drivers are continuing to serve passengers in the city.

The presidency's press office, after contacting all the country's governors and mayors, reported that the strike was turning out to be "a failure." However, EFE has learned that in Santiago, in northern Dominican Republic, the strike was total and peaceful and that many workers of the public and private sectors were unable to reach their workplaces due to the lack of transportation.

Report on Jorge Address

FL130234 [Editorial Report] Santo Domingo Domestic Service in Spanish at 0000 GMT on 13 February begins a live broadcast of President Salvador Jorge Blanco's speech to the nation on the recent strikes to protest price increases of basic foodstuffs.

President Jorge Blanco begins his speech by quoting part of his oath of office and underscoring the fact that he has sworn to uphold the Constitution of a "government which is essentially civilian, republican, democratic and representative." He then points out that the Dominican Leftist Front has been promoting strikes around the country. He adds that other opposition parties were also behind these upheavals as reported in the 5 February issue of the newspaper EL NUEVO DIARO.

Jorge Blanco says that "the government in all possible cases will act so that prices of some goods are reduced or maintained without large increases. We are making efforts to (?increase) production, that is, to make it possible for producers to feel stimulated to produce more and in that way, prices will drop of their own accord." He goes on to call for peace and support from the nation's people, saying that the nation must meet its responsibilities. He adds that "the government is in control and will continue to be in control of the nation with full coordination among the civilian, military, and police authorities, as was demonstrated yesterday."

The live broadcast ends at 0039 GMT.

INTER-AMERICAN AFFAIRSREGIONAL LEADERS TO MEET IN ARGENTINA IN MARCH

PY102316 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1826 GMT 9 Feb 85

[Excerpt] Buenos Aires, 9 Feb (NA) -- After attending the inauguration of Uruguayan President-elect Julio Maria Sanguinetti, Latin American political leaders will immediately meet in Buenos Aires to draft a document to defend democracy in the region, Radical Senator Adolfo Gass has announced.

Gass told NA that a "working paper," which will be sent to those Latin American leaders who will attend the inauguration in Montevideo on 1 March, is now being prepared in order to implement this idea.

Gass also announced that from 18 to 23 February he, along with other Argentine congressmen, will attend a meeting with his British and U.S. counterparts in Maryland, United States. He noted that the issue of sovereignty over the Malvinas Islands will be specifically discussed at this meeting.

ECUADORCONGRESS PRESIDENT ASSESSES MAIN ACHIEVEMENTS

PA121309 Quito Radio Quito in Spanish 2300 GMT 11 Feb 85

[Text] The country's institutionalization and implementation of the democratic system constitute the National Congress' main achievements during the first 6 months of the new government, Raul Baca Carbo, president of the Congress stated. I repeat, he said, that the worst democracy is better than the best dictatorship. This gives validity to the work carried out by the executive and legislative branches since 10 August 1984 to date. From the beginning of the present period of special sessions, state organizations have been formed such as the Tribunal of Constitutional Guarantees and the Supreme Court, Baca Carbo said.

GUYANAJAGAN CONCERNED OVER VOTER REGISTRATION

FL121630 Bonaire Trans World Radio in English 1130 GMT 12 Feb 85

[Text] Guyanese opposition leader Cheddi Jagan yesterday charged the national registration drive had missed some citizens who could be disenfranchised from elections scheduled before the end of the year. Mr Jagan, a former premier and head of the People's Progressive Party, said he was concerned about the way the registration was being conducted and that some communities had been omitted. Once complete, the registration list will be used to compile a list of voters.

The registration process ends this month, but Mr Jagan said he had been assured by Home Affairs Minister Jeffrey Thomas that unregistered citizens would be able to add their names to the list at their district centers.

Opposition parties have long accused President Forbes Burnham's 18-year-old government of staying in power through electoral fraud.